



**STANISLAUS LAFCO  
LOCAL AGENCY FORMATION COMMISSION**

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**Chair Terry Withrow**, County Member  
Jim DeMartini, County Member  
Bill Berryhill, Public Member  
Amy Bublak, City Member  
Michael Van Winkle, City Member  
Richard O'Brien, Alternate City Member  
Brad Hawn, Alternate Public Member  
Vito Chiesa, Alternate County Member

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**AGENDA  
Wednesday, October 24, 2018  
6:00 P.M.  
Joint Chambers—Basement Level  
1010 10<sup>th</sup> Street, Modesto, California 95354**

The Stanislaus Local Agency Formation Commission welcomes you to its meetings. As a courtesy, please silence your cell phones during the meeting. If you want to submit documents at this meeting, please bring 15 copies for distribution. Agendas and staff reports are available on our website at least 72 hours before each meeting. Materials related to an item on this Agenda, submitted to the Commission or prepared after distribution of the agenda packet, will be available for public inspection in the LAFCO Office at 1010 10<sup>th</sup> Street, 3<sup>rd</sup> Floor, Modesto, during normal business hours.

**1. CALL TO ORDER**

- A. Pledge of Allegiance to the Flag.
- B. Introduction of Commissioners and Staff.

**2. PUBLIC COMMENT PERIOD**

This is the period in which persons may speak on items that are not listed on the regular agenda. All persons wishing to speak during this public comment portion of the meeting are asked to fill out a "Speaker's Card" and provide it to the Commission Clerk. Each speaker will be limited to a three-minute presentation. No action will be taken by the Commission as a result of any item presented during the public comment period.

**3. APPROVAL OF MINUTES**

- A. Minutes of the September 26, 2018 Meeting.

**4. CORRESPONDENCE**

No correspondence addressed to the Commission, individual Commissioners or staff will be accepted and/or considered unless it has been signed by the author, or sufficiently identifies the person or persons responsible for its creation and submittal.

- A. Specific Correspondence.
- B. Informational Correspondence.

1. Creating Sustainable Communities and Landscapes – Strategic Growth Council White Paper, October 2018.

2. 2018 CALFCO Annual Conference Report.

3. 2018 Legislative Update.

C. "In the News."

**5. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS**

**6. CONSENT ITEMS**

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the discussion of the matter.

A. **YEAR END FINANCIAL REPORT FOR FISCAL YEAR 2017-2018**  
(Staff Recommendation: Accept and file the report.)

B. **OUT-OF-BOUNDARY SERVICE APPLICATION – OAKDALE GOLF AND COUNTRY CLUB.** The Commission will consider a request from the City of Oakdale to extend water and sewer service outside the existing city limits and sphere of influence, to serve a clubhouse and restaurant facility located at 243 N. Stearns Road, to address health and safety concerns. The City of Oakdale, as Lead Agency under the California Environmental Quality Act (CEQA) has filed a Notice of Exemption pursuant to section 15301 of the CEQA Guidelines. (Staff Recommendation: Approve Resolution No. 2018-17.)

C. **OUT-OF-BOUNDARY SERVICE APPLICATION – INTERSTATE TRUCK CENTER (KEYES COMMUNITY SERVICES DISTRICT).** The Commission will consider a request from the Keyes Community Services District to extend water service to Interstate Truck Center, in order to address high levels of arsenic and nitrates in the water supply. The extension is considered exempt from the California Environmental Quality Act (CEQA) pursuant to section 15301(b)(3) of the CEQA Guidelines. (Staff Recommendation: Approve Resolution No. 2018-18.)

**7. PUBLIC HEARING**

Any member of the public may address the Commission with respect to a scheduled public hearing item. Comments should be limited to no more than three (3) minutes, unless additional time is permitted by the Chair. All persons wishing to speak during this public hearing portion of the meeting are asked to fill out a "Speaker's Card" and provide it to the Commission Clerk prior to speaking.

A. **LAFCO APPLICATION NO. 2018-06 AND SPHERE OF INFLUENCE MODIFICATION NO. 2018-06 – BMW, KIA AND VALLEY LEXUS CHANGE OF ORGANIZATION TO THE COUNTY SERVICES AREA NO. 20.** The Commission will consider a request to modify the sphere of influence and annex approximately 16.41 acres into County Service Area (CSA) No. 20 (Summit Corporate Center). The property will receive extended county services, including CSA administration and storm drain system maintenance as a result of the annexation. LAFCO Staff has determined that under the California Environmental Quality Act (CEQA) Section 15061(b)(3), the proposal is considered exempt as there is no possibility that the proposed change of organization may have a significant effect on the environment. APNs: 046-010-036 through 040, 046-011-073 and 046-011-075. (Staff Recommendation: Approve Resolution No. 2018-19.)

**8. COMMISSIONER COMMENTS**

Commission Members may provide comments regarding LAFCO matters.

**9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON**

The Commission Chair may announce additional matters regarding LAFCO matters.

**10. EXECUTIVE OFFICER'S REPORT**

The Commission will receive a verbal report from the Executive Officer regarding current staff activities.

A. On the Horizon.

**11. ADJOURNMENT**

A. Set the next meeting date of the Commission for December 5, 2018.

B. Adjourn.

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**LAFCO Disclosure Requirements**

**Disclosure of Campaign Contributions:** If you wish to participate in a LAFCO proceeding, you are prohibited from making a campaign contribution of more than \$250 to any commissioner or alternate. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until three months after a final decision is rendered by LAFCO. No commissioner or alternate may solicit or accept a campaign contribution of more than \$250 from you or your agent during this period if the commissioner or alternate knows, or has reason to know, that you will participate in the proceedings. If you or your agent have made a contribution of more than \$250 to any commissioner or alternate during the twelve (12) months preceding the decision, that commissioner or alternate must disqualify himself or herself from the decision. However, disqualification is not required if the commissioner or alternate returns the campaign contribution within thirty (30) days of learning both about the contribution and the fact that you are a participant in the proceedings.

**Lobbying Disclosure:** Any person or group lobbying the Commission or the Executive Officer in regard to an application before LAFCO must file a declaration prior to the hearing on the LAFCO application or at the time of the hearing if that is the initial contact. Any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them.

**Disclosure of Political Expenditures and Contributions Regarding LAFCO Proceedings:** If the proponents or opponents of a LAFCO proposal spend \$1,000 with respect to that proposal, they must report their contributions of \$100 or more and all of their expenditures under the rules of the Political Reform Act for local initiative measures to the LAFCO Office.

**LAFCO Action in Court:** All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCO action in court, you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 24 hours before the hearing will be distributed to the Commission.

**Reasonable Accommodations:** In compliance with the Americans with Disabilities Act, hearing devices are available for public use. If hearing devices are needed, please contact the LAFCO Clerk at 525-7660. Notification 24 hours prior to the meeting will enable the Clerk to make arrangements.

**Alternative Formats:** If requested, the agenda will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the Federal rules and regulations adopted in implementation thereof.

**Notice Regarding Non-English Speakers:** Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedure Section 185 which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the Local Agency Formation Commission shall be in English and anyone wishing to address the Commission is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

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# STANISLAUS LOCAL AGENCY FORMATION COMMISSION

## MINUTES

September 26, 2018

### 1. CALL TO ORDER

Chair Withrow called the meeting to order at 6:02 p.m.

- A. Pledge of Allegiance to Flag. Chair Withrow led in the pledge of allegiance to the flag.
- B. Introduction of Commissioners and Staff. Chair Withrow led in the introduction of the Commissioners and Staff.

Commissioners Present: Terry Withrow, Chair, County Member  
Amy Bublak, City Member  
Michael Van Winkle, City Member  
Jim DeMartini, County Member  
Bill Berryhill, Public Member  
Brad Hawn, Alternate Public Member  
Richard O'Brien, Alternate City Member

Staff Present: Sara Lytle-Pinhey, Executive Officer  
Javier Camarena, Assistant Executive Officer  
Jennifer Goss, Commission Clerk  
Robert J. Taro, LAFCO Counsel

Commissioners Absent: Vito Chiesa, Alternate County Member

### 2. PUBLIC COMMENT

None.

### 3. APPROVAL OF MINUTES

- A. Minutes of the August 22, 2018 Meeting.

Motion by Commissioner Berryhill, seconded by Commissioner Van Winkle and carried with a 5-0 vote to approve the Minutes of the August 22, 2018 meeting by the following vote:

Ayes: Commissioners: Berryhill, Bublak, DeMartini, Van Winkle and Withrow  
Noes: Commissioners: None  
Ineligible: Commissioners: Hawn and O'Brien  
Absent: Commissioners: Chiesa  
Abstention: Commissioners: None

**4. CORRESPONDENCE**

A. Specific Correspondence.

None.

B. Informational Correspondence.

1. Results of the Protest Hearing for the Division 1 North Area Change of Organization to the Oakdale Rural Fire Protection District.

C. "In the News"

**5. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS**

None.

**6. CONSENT ITEMS**

A. **MUNICIPAL SERVICE REVIEW NO. 18-03 AND SPHERE OF INFLUENCE UPDATE NO. 18-05 FOR THE EAST SIDE & TURLOCK MOSQUITO ABATEMENT DISTRICTS.** The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the East Side and Turlock Mosquito Abatement District. This item is exempt from the California Environmental Quality Act (CEQA) review pursuant to Regulation §15061(b)(3). (Staff Recommendation: Approve the update and adopt Resolution No. 2018-14.)

Motion by Commissioner O'Brien, seconded by Commissioner Bublak, and carried with a 5-0 vote to approve the update and adopt Resolution No. 2018-14, by the following vote:

Ayes: Commissioners: Berryhill, Bublak, DeMartini, Van Winkle and Withrow  
Noes: Commissioners: None  
Ineligible: Commissioners: Hawn and O'Brien  
Absent: Commissioners: Chiesa  
Abstention: Commissioners: None

B. **PROPOSED LAFCO MEETING CALENDAR FOR 2019.**  
(Staff Recommendation: Accept the 2019 Meeting Calendar.)

Motion by Commissioner O'Brien, seconded by Commissioner Bublak, and carried with a 5-0 vote to accept the 2019 Meeting Calendar, by the following vote:

Ayes: Commissioners: Berryhill, Bublak, DeMartini, Van Winkle and Withrow  
Noes: Commissioners: None  
Ineligible: Commissioners: Hawn and O'Brien  
Absent: Commissioners: Chiesa  
Abstention: Commissioners: None

C. **SELECTION OF AN INDEPENDENT AUDITOR FOR THE BIENNIAL AUDIT.**  
(Staff Recommendation: Authorize the Executive Officer to Execute a Professional Services Agreement with an independent auditor for completion of a biennial audit

for Fiscal Years 2016-17 and 2017-18.)

Motion by Commissioner O'Brien, seconded by Commissioner Bublak, and carried with a 5-0 vote to authorize the Executive Officer to execute a Professional Services Agreement with an independent auditor, by the following vote:

Ayes: Commissioners: Berryhill, Bublak, DeMartini, Van Winkle and Withrow  
Noes: Commissioners: None  
Ineligible: Commissioners: Hawn and O'Brien  
Absent: Commissioners: Chiesa  
Abstention: Commissioners: None

## 7. PUBLIC HEARINGS

- A. **LAFCO APPLICATION NO. 2018-04 – 119 G STREET CHANGE OF ORGANIZATION TO THE STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT.** The Commission will consider a request by the City of Modesto to annex a 0.32-acre parcel located at 119 G Street in Empire to the Stanislaus Consolidated Fire Protection District. The property was previously a well site owned by the City and has since been sold and detached from the City limits. The annexation would return the property back to the jurisdiction of the District for fire services. This item is exempt from the California Environmental Quality Act (CEQA) review pursuant to Regulation §15061(b)(3).

Javier Camarena, Assistant Executive Officer, presented the item with a recommendation of approval.

Chair Withrow opened the Public Hearing at 6:10 p.m.

No one spoke.

Chair Withrow closed the Public Hearing at 6:10 p.m.

Motion by Commissioner Van Winkle, seconded by Commissioner Berryhill, and carried with a 5-0 vote to approve the proposal and adopt Resolution No. 2018-15, by the following vote:

Ayes: Commissioners: Berryhill, Bublak, DeMartini, Van Winkle and Withrow  
Noes: Commissioners: None  
Ineligible: Commissioners: Hawn and O'Brien  
Absent: Commissioners: Chiesa  
Abstention: Commissioners: None

## 8. OTHER MATTERS

- A. **ELECTION OF VICE CHAIR.** (Staff Recommendation: Approve Resolution No. 2018-16.)

Chair Withrow asked for nominations for Vice Chair. Commissioner Van Winkle nominated himself.

Motion by Commissioner Bublak, seconded by Commissioner Berryhill, and carried with a 5-0 vote to appoint Commissioner Van Winkle as the new Vice Chair and approve Resolution No. 2018-16, by the following vote:

Ayes: Commissioners: Berryhill, Bublak, DeMartini, Van Winkle and Withrow  
Noes: Commissioners: None  
Ineligible: Commissioners: Hawn and O'Brien  
Absent: Commissioners: Chiesa  
Abstention: Commissioners: None

**9. COMMISSIONER COMMENTS**

Commissioner DeMartini stated that he was looking forward to attending the CALAFCO Annual Conference.

**10. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON**

None.

**11. EXECUTIVE OFFICER'S REPORT**

- A. On the Horizon. The Executive Officer informed the Commission of the following:
- Staff will be attending the annual CALAFCO Conference from October 3<sup>rd</sup> – 5<sup>th</sup>. The office will be closed; however staff will be available by email.
  - Upcoming items for October will include a year-end review of the budget, an out-of-boundary service application and an annexation to a County Area.

**12. ADJOURNMENT**

- A. Chair Withrow adjourned the meeting at 6:13 p.m.

**SIGNED COPY ON FILE**

Sara Lytle-Pinhey, Executive Officer



# Creating Sustainable Communities and Landscapes

Recommended practices and tools for local collaboration on climate-smart growth



CALIFORNIA  
STRATEGIC  
GROWTH  
COUNCIL



OCTOBER 2018

# INTRODUCTION

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The State of California has a rich history of environmental leadership. With some of the most beautiful landscapes and fertile soils in the country, we have much to protect and conserve. As the State's population grows towards fifty million people, infrastructure demands place intensified levels of stress on California's agricultural and natural wealth. In order to address these challenges, California has led the charge nationally to reduce harmful greenhouse gas emissions, because we recognize that this battle is not only about the environment – it is also about protecting the well-being of our families and communities. To ensure the prosperous future of our State, we must shift to a more conscientious approach to land use planning in California – one that balances the needs of conservation and development<sup>1</sup>. In order to balance these priorities, the State has put new laws in place for new housing and infill development, community resilience, economic growth in urban and rural areas, and set an ambitious target for carbon neutrality by 2045 that relies upon efficient and orderly growth across California.

Reaching California's climate goals will require implementing a variety of strategies including **shifting to more efficient and sustainable land use patterns**. This means focusing our efforts on compact growth in existing neighborhoods, while conserving wildlife habitat, farmland, and open space, also known as natural and working lands. There are many economic, environmental, and health benefits to this kind of focused growth, but the climate-specific benefits are two-fold. First, infill development reduces personal vehicle use by enabling Californians to walk, bike, use transit, engage in shared mobility, or drive only short distances to get where they need to go. This compact development also facilitates

energy and water savings by using these resources more efficiently. Second, protecting farmland and open space is beneficial because these lands can serve to sequester carbon and provide nature-based services to support urban areas, including **natural infrastructure**<sup>2</sup>. Meanwhile, protection of natural and working lands helps to fuel California's agriculture and tourism economies, all the while providing food security and myriad ecosystem services for local communities. This kind of land use is often referred to as smart growth, and it has become a priority in California to plan for such focused development throughout the State.

Cities, counties and special districts are on the front lines of implementing infill development and protecting natural and working lands at the local level. In support of these goals, they can benefit by building strong relationships with Local Agency Formation Commissions (LAFCo), which can also play a critical role in promoting efficient growth. Among many other things, LAFCos have authority to determine the most efficient growth patterns and service areas in a county through the adoption of Spheres of Influence (SOI), the Municipal Service Review (MSR) process, and other LAFCo policies and functions. MSRs can help support better decision-making for service area expansion for when applications from cities and special districts are received or, more pro-actively, when countywide or local general

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2 Natural infrastructure is now a statutorily recognized preference for State agencies and communities, responding to new mandates on addressing climate risk. It is defined as the preservation or restoration of ecological systems, or utilization of engineered systems that use ecological processes, to increase resiliency to climate change, manage other environmental hazards, or both. This may include, but is not limited to, floodplain and wetlands restoration or preservation, combining levees with restored natural systems to reduce flood risk, and urban tree planting to mitigate high heat days. See General Plan Guidelines Chapter 4: Safety for additional information.

<http://opr.ca.gov/planning/general-plan/>

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1 This vision is outlined in the State Planning Priorities, which were codified into law in 2002 (Government Code §65041.1).

plan updates are prepared. This can help support more urban-focused growth by reducing sprawl and set the stage for determining which areas are conserved as natural or working lands. LAFCoS also have a unique opportunity to help facilitate relationships among local agencies and raise awareness of best practices around growth management in support of local efforts to create sustainable communities.

## ABOUT LAFCoS

Created by the Knox-Nisbet Act of 1963, LAFCoS are county-level agencies whose commissions are composed of local city and county elected officials, special district elected officials (in 30 of the 58 LAFCoS), and public members. They were established in response to rapid and disorderly development in California during the post-WWII housing boom – so disorderly that some have referred to this era as the “annexation wars.” At the time, there was a great deal of competition among cities to incorporate quickly and annex as much land as possible, which the legislature recognized as detrimental to the public interest. For this reason, LAFCoS are often called the “watchdogs” of the legislature in promoting orderly development and provision of services.

Local Agency Formation Commissions are becoming more important as a partner in the implementation of State and local goals related to infill development, greenhouse gas emissions reductions, and climate change resilience. In light of California’s commitment to reducing greenhouse gas emissions, smart growth and protection of natural and working lands are crucial. These commitments can also allow a community to become more

resilient to the changing climate and to better prepare for the extreme weather events that are increasingly facing the State. Working together, local governments and LAFCoS have a unique opportunity to advance smart growth policies and practices in every county of the State. Many LAFCoS have recognized their ability to support efficient growth at the city and county level, and are implementing innovative policies that help to preserve agricultural land and open space while also encouraging infill development. Yet LAFCoS also face many challenges, including resource and capacity constraints as well as local political pressure.

## LAFCoS AS PARTNERS IN SMART GROWTH

This paper highlights case studies in which LAFCoS, cities, counties and special districts successfully partnered to reduce suburban sprawl and increase the conservation of natural and working lands, while also considering how to improve community resilience. Developed through a collaboration among the Strategic Growth Council, the Governor’s Office of Planning and Research and the California Association of Local Agency Formation Commissions (CALAFCO), this paper is intended to help support coordination among local entities to advance efficient growth and conservation of natural resources. It also aims to raise awareness of available tools and resources that can be used to create more environmentally and economically sustainable communities throughout California.

## PART I

# CALIFORNIA PLANNING AND CONTEXT: LAY OF THE LAND

California has long been a pioneer on environmental issues, and continues to lead the charge on climate efforts both nationally and internationally. The State had developed a coordinated suite of laws, policies and guiding documents that set the path to reaching our climate goals. The State Planning Priorities – to conserve natural and working lands, promote infill development and equity, and support efficient development patterns – were codified into law in 2002 and support climate and conservation goals concurrently. In 2006, the State adopted the Global Warming Solutions Act (Assembly Bill 32), setting the goal to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020, a reduction of approximately 15% compared to a “business as usual” scenario. This legislation was followed by Senate Bill 32, Executive Order B-30-15, Senate Bill 350, and Executive Order B-55-18 that specify targets beyond 2020, including reducing GHG emissions to 40% below 1990 levels by the year 2030 and carbon neutrality by 2045. These are ambitious goals, particularly in light of the fact that the State’s population is projected to grow to more than 50 million residents by 2050. The Scoping Plan is the State’s roadmap to reach these targets, setting the main strategies that California will use to reduce GHG emissions. Among other strategies, including the use of renewable energies and improving energy efficiency, the Scoping Plan prioritizes infill development to protect natural and working lands.

Another important piece of legislation, The Sustainable Communities and Climate Protection Act of 2008 (Senate Bill 375) has helped set a long-range planning framework for meeting GHG emission reductions through regional land use strategies. This bill requires Metropolitan Planning Organizations (MPOs) or Councils of Government (COGs) for each region of California to create a “Sustainable Communities Strategy,” combining the

The 1978 Urban Strategy first set state planning priorities for California, which were adopted into law in 2002 (Government Code §65041.1). OPR released a second Environmental Goals and Policy Report in November 2015 entitled “A Strategy for California @ 50 Million: Supporting California’s Climate Change Goals.” Briefly, the priorities are to:

- a. Promote infill development and rehabilitation and utilization of existing infrastructure, including water, sewer, and transportation.
- b. Protect the state’s natural and working lands, including agricultural land, lands of cultural and historic significance, wetlands, and wildlands.
- c. Develop in an efficient manner that limits sprawl and minimizes costs to taxpayers.

Regional Transportation Plan and the Regional Housing Needs Assessment into one document that sets guidance for where development should be directed regionally in order to maximize emissions reductions. As a 2016 paper by The Nature Conservancy highlights, the framework established by Senate Bill 375 contributes to reducing GHG emissions in at least three important ways. First, by defining resource areas and farmland where development should be avoided, helping to increase carbon sequestration; second, by encouraging more compact development that can help Californians avoid driving long distances for day-to-day necessities; and third, by promoting investments to encourage infill development.

Not every area of the state is represented by an MPO or a COG<sup>3</sup>, and even for those that are, regional governments' power to enforce these land use strategies is limited, as that power resides in county and city governments. However, MPOs can use their authority over transportation spending to provide incentives for strategy implementation. For example, the Metropolitan Transportation Commission (MTC) has identified priority development areas and priority conservation areas in its Sustainable Communities Strategy known as Plan Bay Area. The MTC provides incentive funding for a city or county to focus activities in these areas. Sustainable Communities Strategies provide useful information for LAFCOs that can be helpful in deciding which land within their jurisdiction should be developed, and which areas should be conserved as agricultural land and open space.

While all land use is local – as the saying goes – State agencies can provide guidance to help create successful growth management policies and practices. The Governor's Office of Planning and Research (OPR) and the Strategic Growth Council (SGC) work together closely to provide resources for local and regional agencies on topics related to land use. OPR develops and manages the General Plan Guidelines, an important “how to” resource for local jurisdictions drafting a general plan and managing urban and suburban growth. This resource includes statutory mandates, guidance, case studies, and best practices to help support local planning initiatives. The most recent version of these guidelines, released in 2017, includes guidance to implement new mandates on climate change, housing, environmental justice, health, air quality, as well as information on legislative changes, policy recommendations, and additional resources. This document will be discussed in more depth in Part V of this paper, in addition to other State resources and tools available to facilitate infill development.

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3 According to Federal law, urbanized area with population of at least 50,000 must be guided and maintained by a regional entity such as an MPO or a COG

## PART II

# THE BENEFITS OF GROWTH MANAGEMENT PRACTICES

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Smart growth is a framework for planning that encourages mixed-use development within existing neighborhoods. This model for growth aims to cultivate compact communities that require less driving to reach daily destinations while protecting nearby farmland and open space from development. There are many compelling reasons to shift land use patterns to a smart growth model – reasons that span economic, social, and environmental considerations.

The economic argument for smart growth is two-fold. First, smart growth spurs the economic vitality of cities, and second, preserving agricultural and natural lands protects California's strong agricultural economy, contributes to local and regional food security, and supports ecosystem health. Research has shown that vibrant, walkable downtown centers are engines for economic growth, and that demand is increasing for housing in walkable, transit-rich places in cities across California and throughout the country. A study by Smart Growth America found that directing growth to existing neighborhoods saves up to 38% on upfront costs for construction of new roads, sewers, water lines and other infrastructure and saves 10% on provision of services such as police, ambulance and fire service costs. Additionally, this study found that on an average per-acre basis, smart growth development provides 10 times more tax revenue than conventional suburban development (Smart Growth America, 2013).

Conserving agricultural lands also has significant benefits. The State of California has some of the most productive agricultural lands in the world and is the country's largest producer and exporter of agricultural products. Additionally, agriculture plays an important role in fueling local economies, providing jobs and improving local and regional food security. It is also a central piece of California's cultural heritage and way of life. CALAFCO and American Farmland Trust published a

paper entitled “[State of the Art on Agricultural Preservation](#)” in February 2018 that provides more detail about the benefits of protecting farmland in California and outlines successful strategies for LAFCOs to do so.

Protecting natural landscapes provides myriad benefits as well. Intact ecosystems support the State's abundant biodiversity while also providing benefits in the form of clean water and air, climate stability, increased resiliency to storm events, conservation of wildlife habitat, and valuable recreation opportunities – just to name a few examples. Natural landscapes can also serve as natural infrastructure, now a statutorily recognized preference for State agencies and communities responding to new mandates on addressing climate risk. These healthy systems improve the quality of life of those who live in California, and draw tourists from around the country and the world.

As already emphasized in this paper, the environmental benefits of infill development are also compelling. Compact cities, towns and neighborhoods make walking, biking and transit use more viable and make it easier for residents to drive less frequently. Minimizing personal vehicle use has significant air quality benefits, reducing both GHG emissions and congestion for those who do opt to drive. Reducing traffic and parking demand themselves can have important air quality benefits because people spend less time running their engines on clogged highways or circling around to find parking. Further, working and natural landscapes – particularly forests – are instrumental in the fight against climate change because they serve as carbon sinks by absorbing and removing carbon dioxide from the air.

Lastly, there is strong evidence that smart growth has meaningful social and health benefits as well. The public health impacts of improved air quality and neighborhood design that is conducive to walking and biking are significant and well-documented. A recent California

Department of Public Health study used the Integrated Transport and Public Health Impacts Model to estimate a variety of health-related outcomes if the State is able to meet its ambitious mobility and health goals. The findings indicate that California could avoid over 2,000 deaths due to chronic disease each year by doubling walking and transit trips and tripling trips taken by bicycle (Maizlish, 2016). The availability of parks and open spaces is another boon for the physical and mental health of individuals, while also providing neighborhood gathering spaces that can help build community. There are some more hidden social benefits as well, such as reducing commute times for families, allowing parents more time to spend with their children; increased transit access, which can have economic benefits for low-income families; and even increased social interaction between residents of walk- and bike-friendly neighborhoods. Researchers have found that social cohesion can be a crucial component determining community resilience in the wake of natural disasters (Klinenberg, 2003; Aldrich and Meyer, 2014). As the intensity and frequency of such disasters increases, the importance of building community must not be overlooked.

For all of these reasons, the State of California is taking steps to encourage smart growth land use patterns, working in concert with local jurisdictions such as cities, counties and special districts. These agencies are at the forefront of the shift towards smart growth because they set local policies to preserve open space and encourage efficient growth. LAFCOs play a critical role in helping to guide city boundary and service provision expansion. They can also take a leadership role in educating and

***“Directing growth to existing neighborhoods saves up to 38% on upfront costs for construction of new roads, sewers, water lines and other infrastructure and saves 10% on provision of services such as police, ambulance and fire service costs. “***

informing local agencies regarding growth management best practices and encouraging collaboration around these issues. As highlighted in the case studies to follow, LAFCOs have many opportunities to support and uphold strong city and county policies such as urban growth boundaries, urban service area boundaries, greenbelts, or community separators. They can also require agricultural land preservation plans, vacant land analysis and absorption studies, as well as agricultural land mitigation, in cases of land annexation or SOI expansion proposals that would allow farmland to be developed. Cities, counties, and special districts are also benefitted by building strong partnerships with LAFCOs, as these relationships can result in increased capacity and better decisions vis-à-vis local development patterns.

# PART III

## LOCAL AGENCY FORMATION COMMISSIONS

Given the important role of LAFCoS in local land use decisions, it is important to understand a bit of their history and mandate. As mentioned earlier, LAFCoS were established in 1963 by the Knox-Nisbet Act. They are State-mandated county-level entities whose mission is to encourage orderly growth, preserve agricultural land resources, and discourage urban sprawl. LAFCoS have both planning and regulatory authority to determine city boundary changes, define city spheres of influence, and manage the creation, consolidation and dissolution of special districts. Their commissioners include local city and county elected officials, public members and, in many cases, special district elected officials. In this role, LAFCoS have a unique opportunity to help align local development patterns with statewide goals for sustainability, including improvements in public health, community resilience, economic opportunity, and food security.

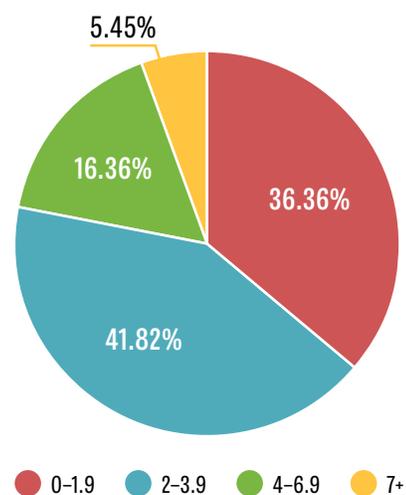
The roles and responsibilities of LAFCoS have evolved and expanded over the years. Originally, LAFCoS only had power over the incorporation of cities and the creation of special districts. However, the legislature has significantly expanded those initial responsibilities to include the following (CALAFCo Testimony, 2016):

- » Processing city and district annexations and detachments, as well as proposals to dissolve or reorganize the structure of cities and special districts;
- » Determining property tax revenue exchange amounts for agencies in cases of revised city and special district boundaries;
- » Addressing the activation or divestiture of latent services or powers;
- » Conducting sphere-of-influence updates and municipal service reviews;

- » Mapping and planning for disadvantaged unincorporated communities;
- » Complying with the California Environmental Quality Act (CEQA) and Sustainable Communities Strategies created by SB 375; and
- » Conducting special studies.

Despite these expanded responsibilities, LAFCoS often operate on small budgets and with limited staff. According to a 2015 CALAFCo survey, more than 36% of these commissions have fewer than two staff members, while only three (5.5%) have seven or more staff. Most LAFCoS employ part-time contractual personnel or county staff to help complete tasks on a tight budget. In fact, CALAFCo's survey found that more than 32% of LAFCoS have staff members that also work for the county, including some executive officers. This is most common in rural counties. Thus, while these entities are meant to be independent

**FIGURE 1: NUMBER OF LAFCO STAFF**



CREDIT: CALAFCO TESTIMONY, 2016

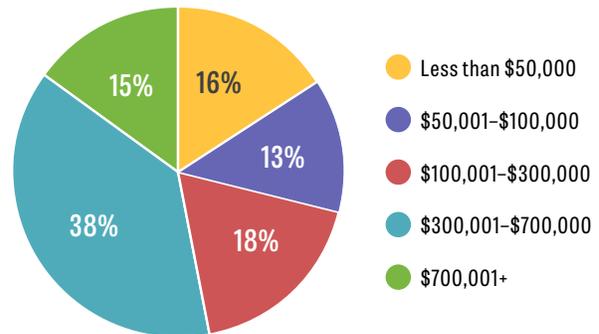
from counties, financial barriers often impede their ability to act independently. See Figure 1 (on previous page) for more details on LAFCo staffing around the state.

LAFCos receive revenues from the counties, cities, and special districts that are eligible to be represented on the commissions. State law requires that the funding be split evenly among the represented agencies (for example, if cities, the county and special districts are all represented on the commission, each will pay a one-third share of the budget). Individual LAFCos are also allowed to modify this funding formula if they so choose. For example, Butte LAFCo has special district representation and all parties involved agreed that special districts pay less than the one-third apportionment. The LAFCo funding structure is one explanation for the considerable diversity in size and capacity of LAFCos across the State. They have so far been ineligible for State grant funding as primary applicants and thus their budgets are highly dependent on the revenue of local agencies and the extent to which funding for LAFCos is prioritized locally. In some cases, local agencies may be reluctant to devote sufficient funds to LAFCos due to political pressure to minimize government functions or to relax regulation on sprawl development.

In light of these challenges, it is perhaps unsurprising that LAFCo budgets vary widely across the State and that most LAFCos are operating on very tight budgets. For example, 16% of LAFCos have an annual budget below \$50,000. As an extreme example, Mono LAFCo adopted a budget of only \$10,869 for FY 2018-2019, and contracts all of its staff through the County. On the other end of the spectrum, 15% have an annual budget that exceeds \$700,000. San Diego LAFCo adopted a budget of \$1,906,694 for FY 2018-19. In CALAFCO's 2015 survey, 34% of LAFCos reported that their budgets were barely sufficient to meet statutory requirements and 11% indicated that their budgets were insufficient to do so (CALAFCO Testimony, 2016).

In addition to funding and capacity challenges, local political pressure can often complicate commission decision-making processes. Considering that most commissioners are locally elected officials, it can be challenging for them to make unpopular decisions

FIGURE 2



CREDIT: CALAFCO TESTIMONY, 2016

regarding annexation proposals or sphere-of-influence extensions, even when proposals are in conflict with the mission and/or policies of the LAFCo. Similarly, when LAFCos do reject popular proposals in order to enforce their policies, they may risk a negative backlash and even efforts to change commission leadership. Since LAFCos tend to have little name recognition and understanding of their mission and goals among the general public, they are particularly vulnerable to negative public opinion in the case of controversial decisions. This is not only concerning for individual commissioners; it can also impede the efficacy of LAFCos, and by extension, of growth management efforts around the State.

In spite of these challenges, LAFCos can be successful in meaningfully influencing land use patterns in their counties, especially through strong and positive partnership with other local bodies. Through the promotion of strong policies, they can help protect farmland and encourage the development of compact, walkable cities. Not only does well-planned growth have important environmental benefits, it can also improve public health, advance equity and drive economic growth. While LAFCos share some significant challenges, many of them have developed strong policies and creative strategies to manage growth in their counties, as outlined in the case studies described in the following section.



**PART IV**  
**CASE STUDIES**



## CASE STUDY: SANTA CLARA COUNTY

PHOTO CREDIT: SANTA CLARA LAFCO

### BACKGROUND

Throughout the 1940s and 1950s, Santa Clara County was in the throes of the so-called “annexation wars,” in which a variety of local agencies and communities were competing to incorporate or annex as much land as possible. For example, in Santa Clara County, seven new cities were incorporated between 1952 and 1957, and the boundaries of existing cities also grew substantially. By the early 1960s, the County was a sprawling patchwork of development that was difficult and expensive to serve, while a significant amount of valuable farmland had been transitioned to urban or suburban land uses. Many other regions in California were experiencing the same problems, which led the State Legislature to create LAFCOs in 1963.

### UNIQUE GROWTH MANAGEMENT FRAMEWORK

By the late 1960s, it became clear that a countywide framework for managing urban growth was necessary to address these issues. In the early 1970s, Santa Clara LAFCo, the County, and the 15 cities jointly developed and adopted a set of policies known as the *Countywide Urban Development Policies*. These policies define the roles and responsibilities of local agencies regarding the timing and location of urban development in the County. Two key aspects of these policies are that:

- » Urban development should occur only on lands annexed to cities – and not within unincorporated areas

- » Urban expansion should occur in an orderly, planned manner – with cities responsible for planning, annexing, and providing services to urban development, within boundaries called “urban service areas.”

Subsequently, each of the 15 cities proposed, and LAFCo adopted, urban service area (USA) boundaries delineating lands the cities intended to annex, develop, and provide urban services – while conserving lands not suitable for urban development such as natural and working lands. LAFCo approval is required in order to amend the USAs.

Because USA boundaries determine where and when future growth will occur and services will be provided, LAFCo staff reviews each USA expansion request very carefully.<sup>4</sup> In recognition of this unique growth management framework, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 includes a special provision for Santa Clara County (Government Code §56757), which allows a city to annex land within its USA without Santa Clara LAFCo’s further review and approval.

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<sup>4</sup> LAFCo evaluates whether there are infill development opportunities and whether the city has used its existing supply of vacant land before seeking to expand its USA, whether the expansion would result in conversion of agricultural or open space lands, whether the services and infrastructure needed to support the proposed growth can be financed and provided without negatively impacting current city services, and whether there is an adequate water supply available, among other considerations.

## OUTCOMES

Santa Clara LAFCo's consistent implementation of the growth management framework over the last 45 years has facilitated compact growth and continued economic prosperity in the County. This has enabled the preservation of a vast network of open space lands in close proximity to the cities and the sustained economic viability of farmland outside of the cities. Executive Officer Neelima Palacherla says that Santa Clara LAFCo's USA policy has "stood the test of time." Over the last 20 to 25 years, many cities in the county have accommodated large population increases without outward expansion. The largest city in the County, San Jose, is projected to add 200,000 in population over the next 20 years – all of which the City's Envision 2040 General Plan intends to accommodate within its existing boundaries. This is consistent with the Bay Area's Sustainable Communities Strategy and the growing statewide recognition that reduction of transportation-related GHGs is best accomplished by directing growth into existing infill areas.

However, growth management in Santa Clara County is not always easy and Santa Clara LAFCo has faced many challenges in maintaining orderly and efficient growth. Its recent decisions on two proposals seeking to transition nearly 1,000 acres of prime farmland to suburban and urban uses have affirmed its strength in preventing sprawl and protecting farmland in the face of opposition.

In 2015, the City of Gilroy proposed a USA expansion that would have converted 721 acres of mostly prime farmland to urban uses, just north of the city. When reviewing the City's Environmental Impact Report (EIR), Santa Clara LAFCo found that the City had not adequately analyzed the project's impacts (e.g. water supply, police and fire services, growth inducement, and cumulative impacts), and had neglected to adopt adequate mitigation measures. When the City failed to address the LAFCo's concerns, communicated through multiple comment letters, the LAFCo responded by initiating litigation against the City, which resulted in the City rescinding its certification of the EIR and application. This sequence of events raised the community's awareness of the importance of farmland preservation and curbing sprawl to such an extent that Gilroy voters subsequently approved

a ballot initiative in 2016 to create an urban growth boundary around the city, protecting an additional 2,000 acres of farmland and signaling a long-term positive change in this community's vision.

In 2016, the City of Morgan Hill proposed a USA expansion that would have converted 229 acres of prime farmland to urban uses, just southeast of the city. Prior to the City submitting the proposal, LAFCo staff formally expressed its concerns about the project and worked with the City and other affected local agencies in hopes of developing an alternative plan. However, the City decided to move forward with their original proposal, in spite of the existence of vacant lands within the existing USA and opposition from many members of the local community. Since the proposal did not meet many of the criteria that LAFCo uses to evaluate USA amendment requests, the Commission made the difficult decision to deny the proposal. LAFCo's action, along with local agencies' renewed interest in agricultural preservation, helped spur the County of Santa Clara and Santa Clara Valley Open Space Authority to work together to create a Santa Clara Valley Agricultural Plan that highlights the importance of preserving agricultural land and open space as a climate change mitigation and economic development strategy.<sup>5</sup> The Plan has prompted new local, regional, and state partnerships for the creation of an agricultural conservation program to enable permanent protection of farmland.

## TOOLS UTILIZED

- » Countywide urban development policies
- » Urban Service Area boundaries and policies
- » Early and consistent communication with cities during General Plan update and policy development processes
- » Ensuring adequate environmental impact analysis as a Responsible Agency under CEQA

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<sup>5</sup> The Agricultural Plan was funded in part through a Strategic Growth Council Sustainable Agricultural Lands Conservation Grant

## DRIVERS OF SUCCESS

- » Long-standing countywide urban development policies and a tradition of protecting natural lands
- » Commission's willingness to take bold and politically challenging actions
- » Careful review and detailed analysis of expansion proposals
- » Successful partnerships with local agencies and organizations
- » Presence of a strong constituency who support smart growth and conservation

## CHALLENGES AND LESSONS LEARNED

In spite of its history of strong growth management policies in Santa Clara County that protect its agricultural heritage and open space, recent attempts by cities to significantly extend their Urban Service Areas (USAs) show that there remains pressure for urban sprawl development to occur in the County. Additionally, as time passes and there is staff turnover at local agencies, there is less institutional knowledge of the history of the countywide urban development policies and their role in growth management and relevance to current day planning. As a result, LAFCo recognizes a need to conduct more education and outreach to affected agencies and the community in order to maintain and increase its effectiveness. Recently LAFCo retained a consultant to prepare a Communications and Outreach Plan and help expand an understanding of its mandate and policies among local agencies and the community. Lastly, Santa Clara LAFCo, like many other LAFCos, struggles to build capacity on a tight budget. The LAFCo has recently hired a new staff member, which will help lighten staff workload a bit, but it remains challenging for the LAFCo staff to carry out important research, analysis and communication with few resources.

**95%** OF THE COUNTY'S  
POPULATION

lives within cities' Urban Service Areas

REPRESENTING

LESS THAN **25%**  
OF THE COUNTY LAND AREA

ALMOST **250,000 ACRES**

is protected open space land or  
under conservation easements

## USEFUL LINKS

- » CALAFCO Conference Presentation on Urban Growth Boundaries, 2015: [https://CALAFCO.org/sites/default/files/resources/Urban\\_Growth\\_Boundaries\\_all\\_in\\_one.pdf](https://CALAFCO.org/sites/default/files/resources/Urban_Growth_Boundaries_all_in_one.pdf)
- » San Jose's Envision 2040 General Plan: <http://www.sanjoseca.gov/index.aspx?NID=1737>
- » Santa Clara Valley Agricultural Plan: <https://www.openspaceauthority.org/conservation/current-projects/santa-clara-valley-agricultural-plan.html>
- » Santa Clara Valley Greenprint: <https://www.openspaceauthority.org/conservation/conservation-priorities/santa-clara-valley-greenprint.html>
- » How Urban Development Policies Have Made a Difference in Santa Clara County: 40 Years Later, Policies Still Cutting-Edge and Vital: [http://www.santaclaralafco.org/file/UD\\_Policies\\_in\\_SCC\\_by\\_Don\\_Weden.pdf](http://www.santaclaralafco.org/file/UD_Policies_in_SCC_by_Don_Weden.pdf)
- » LAFCo of Santa Clara County Integrating Growth and Conservation: <http://www.santaclaralafco.org/file/Policies/IntegratingDevAndConsv-RevJul2017.pdf>
- » LAFCo Staff Report for Morgan Hill Urban Service Area Amendment 2015 [https://santaclaralafco.org/images/resumes/agenda\\_packet/StaffReport\\_20160215.pdf](https://santaclaralafco.org/images/resumes/agenda_packet/StaffReport_20160215.pdf)



## CASE STUDY: STANISLAUS COUNTY

PHOTO CREDIT: STANISLAUS LAFCO

### BACKGROUND

Stanislaus County is a relatively rural county containing nine cities, located in California's Central Valley. Its largest city is Modesto, with a population of 212,175 in 2016. Recognizing the diversity in population size and growth management policies among the County's nine cities, the LAFCo Executive Officer, Sara Lytle-Pinhey explains that the Commission employs a "menu approach" to growth management practices. For example, the City of Hughson has a 2-to-1 agricultural mitigation policy in place, while the City of Newman has drawn an urban growth boundary. The County also requires a countywide vote to approve zoning changes from agricultural to residential use, and requires 1-to-1 mitigation for the loss of agricultural land when such developments are approved in the unincorporated areas. The LAFCo recognizes and upholds each of these policies and requires cities to provide a plan for agricultural land preservation as well as an absorption study<sup>6</sup> and a vacant land inventory with each request for a land annexation or SOI expansion.

In addition to upholding growth management policies held by each of the cities and the County, Stanislaus LAFCo establishes SOIs within its jurisdiction that are intended to reflect where growth may occur in a 20-year timeframe. Cities are expected to maintain this planning

boundary and any modifications require careful review by the LAFCo. Additionally, the LAFCo sets a primary area around cities that represents the near-term growth area within the first 10 years of that period.

### AGRICULTURAL PRESERVATION PLAN

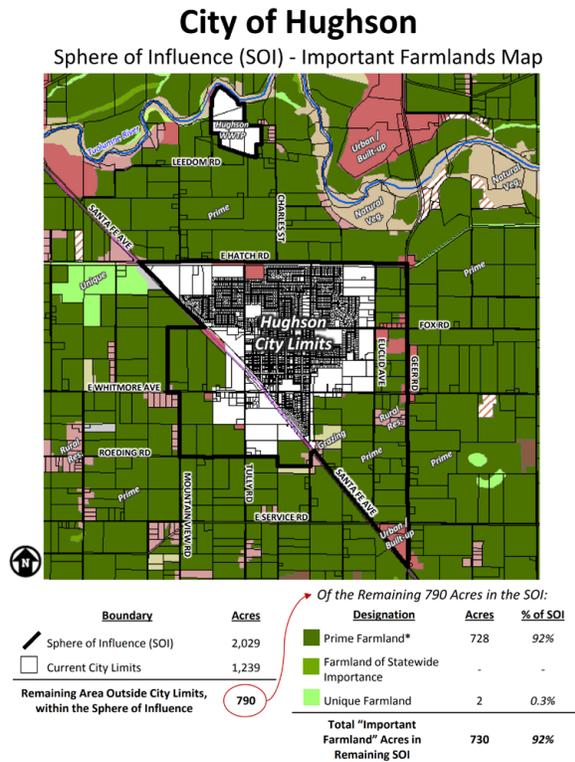
The LAFCo's role of ensuring orderly development is not easy considering that the cities in the County have varying degrees of growth management policies in place. Furthermore, each of the cities is surrounded by prime agricultural land (as defined by the California Department of Conservation), in some cases making it difficult for cities to grow in size at all without developing over fertile farmland. In an effort to address this challenge, the LAFCo set in place a policy in 2012 requiring cities to provide an agricultural preservation plan along with their requests to annex land or expand their SOI. These plans must include an analysis of the extent to which local agricultural resources would be impacted by the proposed development, a vacant land inventory and absorption study, and an analysis of possible agricultural land mitigation, among other items. The preservation plan must also demonstrate consistency with the region's Sustainable Communities Strategy, as well as other regional, local and countywide plans.

While various factors make it challenging to completely avoid the development of prime agricultural land, the LAFCo published a report in 2014 that mapped prime agricultural lands (as defined by the California Department

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6 The absorption study is expected to include information about the city's demand for various land uses, its current supply, and the rate of expected growth or absorption of lands.

**FIGURE 3: MAP OF THE CITY OF HUGHSON FROM STANISLAUS LAFCO'S 2014 "CITY SPHERES OF INFLUENCE" REPORT**



\* Prime farmland and other categories of "important farmlands" are mapped based on the Department of Conservation definitions

Sources: CA Dept. of Conservation - 2010 Farmland Mapping and Monitoring Program; Stanislaus LAFCO (City Limits & Spheres of Influence), Feb. 2014

Source: Stanislaus LAFCO

of Conservation's Farmland Mapping and Monitoring Program Tool) within and around the SOI of each jurisdiction, thus informing the public of the agricultural lands in the County that are in danger of being developed within the next 20 years. In 2010, the LAFCo also published a 50-year summary report, with tables showing the growth of city boundaries and spheres of influence over time, changes in population and population density, and the average annual growth rate for each city. By making this data public and accessible, the LAFCo informs the public on the state of growth management in the County.

Stanislaus LAFCo also participates in frequent conversation between city and county planning directors through a monthly "Planning Directors Association" meeting. This helps build relationships among the cities, County and LAFCo in a way that encourages collaboration and frequent communication about issues related to

land use in the County. Each year, the Planning Director's Association hosts an educational workshop for all the planning commissioners in the County to share best practices and spark conversation about issues related to planning and growth management.

## OUTCOMES

Stanislaus LAFCo has observed that nearly every city in the County has adopted a policy that either acknowledges the need for applicants to prepare a Plan for Agricultural Preservation or establishes its own strategy for agricultural preservation. Likewise, city general plan updates, specific plans, and their associated environmental documents that have been prepared since adoption of the LAFCo policy have all recognized the need for a Plan for Agricultural Preservation. The LAFCo also notes that cities and developers have initiated discussions with the LAFCo much earlier in their processes in order to better understand expectations during their preparation of a Plan for Agricultural Preservation.

So far, Stanislaus LAFCo has only received a handful of annexation applications that have needed to prepare an Agricultural Plan, which itself could be a positive outcome of the new policy. Consequentially, agricultural mitigation stemming from this policy has been relatively minimal so far, but the existence of the policy may help deter development in unincorporated areas of the County, while also conserving valuable farmland in perpetuity.

## TOOLS UTILIZED

- » Monthly Planning Directors Association meetings between city and county planning directors and LAFCo, including an education workshop for all the planning commissioners in the County to share updates
- » Voter-approved Urban Growth Boundary (City of Newman)
- » Agricultural Preservation Plan required for annexation and SOI expansion requests
- » Agricultural mitigation requirements for Stanislaus County and some cities

## DRIVERS OF SUCCESS

- » Strong agricultural heritage of the region
- » Individual commissioners who prioritize agricultural land conservation
- » Frequent meeting and communication
- » Transparent and informative website

## CHALLENGES AND LESSONS LEARNED

Stanislaus' rural geography and strong agricultural heritage are emblematic of the region. While this is a boon for farming in the County, it also presents the challenge that nearly any development on the fringes of Stanislaus County's nine cities is likely to threaten prime farmland. Thus the stakes for growth management in the County are particularly high.

The cities in Stanislaus County have varying degrees of growth management policies currently in place. For example, while the City of Newman passed a voter-approved urban growth boundary in 2014, a similar measure failed to pass in the City of Modesto the following year. Additionally, the County's growth management policies require one-to-one mitigation for agricultural land, but only when the land is developed for residential use. The policy does not apply to industrial or commercial uses, leaving farmlands vulnerable to development in many cases.

While these factors all present challenges for implementing effective growth management, Stanislaus LAFCo's policies help minimize the loss of farmland and promote orderly growth. By encouraging communication and collaboration among various actors in the County and promoting transparency through clear reporting on growth patterns of cities in the county, the LAFCo has taken initiative to influence the factors within its control.

## USEFUL LINKS:

- » Stanislaus LAFCo's agricultural land preservation policy: <http://www.stanislausLAFCo.org/info/PDF/Policy/Final.AgPolicy.3252015.pdf>
- » City of Newman's Urban Growth Boundary Measure: <http://www.cityofnewman.com/docman/administration/662-measure-z-information/file.html>
- » City Spheres of Influence Report: <http://www.stanislausLAFCo.org/info/PDF/SOI/SOIRReport2014.pdf>
- » 50-Year Annual City Annexation Summary: <http://www.stanislausLAFCo.org/info/PDF/Staff%20Rpts/AnnualCityAnnex12.31.10.pdf>



## CASE STUDY: VENTURA COUNTY

PHOTO CREDIT: VENTURA LAFCO

### BACKGROUND

Ventura County has a long history of enacting measures aimed at protecting its agricultural character from sprawl development. As early as 1967, the County approved a Greenbelt Agreement between the cities of Ventura and Santa Paula under which parties agreed to a policy of non-annexation and non-urban development in the agricultural lands located between the two cities. By 1986, five more agreements had been passed by other cities and the County (Fulton et al., 2003). While these greenbelts are not legally binding, Ventura LAFCo has endorsed these agreements and made a commitment to reject a proposal from a city that is in conflict with a greenbelt agreement, “unless exceptional circumstances are shown to exist” (Commissioners Handbook Section 3.2.4.4).

Another important element of Ventura County’s success in protecting agricultural land is its *Guidelines for Orderly Development (GOD)*, which was first adopted in 1969<sup>7</sup> by the LAFCo, the County and each of the cities within the County. This document is a unique effort to encourage urban development within cities, enhance the regional responsibility of County government, and facilitate orderly planning and development. The *GOD* was influential in setting a County policy that discouraged development outside of city limits, providing an important precedent for later initiatives. Ventura LAFCo’s Executive

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7 The document was updated in 1996

Officer, Kai Luoma, pointed out that “The Guidelines have been, and still remain, very influential and are routinely applied throughout the County.” He explained that County staff routinely refer proposed developments to LAFCo and city staff to advise on their compliance with the Guidelines.

### THE SOAR MOVEMENT

Momentum to protect agricultural land increased in the 1980s with Ventura County’s Save Open Space and Agricultural Resources (SOAR) movement. This grassroots campaign was led by local residents concerned about environmental degradation, sprawl, and increased traffic in their communities (Ryan et al. 2004). The first SOAR initiative was approved by the City of Ventura in 1995, building on the existing growth management policies described above. Since then, seven others have been enacted around all of the major cities in Ventura County, as well as in the County’s unincorporated areas. The County’s SOAR initiative requires approval from a majority of County voters in order to rezone unincorporated open space, agricultural or rural land for development. The eight voter-approved SOAR initiatives passed by the cities of Camarillo, Fillmore, Moorpark, Oxnard, Santa Paula, Simi Valley, Thousand Oaks and Ventura, made it necessary to obtain approval from city voters before allowing most types of urban development beyond a City Urban Restriction Boundary (CURB). In the case of the City of Ventura, a vote is required in order to

rezone land designated as agricultural land in the City's general plan. All of the existing SOAR initiatives were recently reaffirmed through 2050 by voters in November 2016.<sup>8</sup> The renewed County initiative added an exemption for processing of locally grown food to support the agricultural industry. The LAFCo plays an important role through supporting and upholding voter-approved SOAR policies in its decision-making.

Another, more recent, example of the LAFCo's role in natural and working land conservation is its development of *Informational Guidelines for the Consideration of Agricultural Mitigation Measures*, providing guidance to lead agencies on mitigation strategies for projects that are likely to result in the conversion of prime agricultural land. The document lists the four following recommended measures: agricultural conservation easements, agricultural land mitigation bank and credits, fee title (ownership), or fees in lieu of the three previously mentioned strategies.

## OUTCOMES

The SOAR initiatives and GOD document have been largely successful in directing development towards cities and existing urban areas. As they are not outright prohibitions on development, these policies have led to more thoughtful deliberations among disparate interests, as developers have had to convince voters directly of the benefit of each project.

Santa Paula's East Area 1 Specific Plan is a good example of the City's SOAR initiative in action. In 2004, the City of Santa Paula signed an MOU with the agribusiness Limoneira for the development of Teague McKeveatt Ranch, a 501-acre ranch contiguous to the City's eastern boundary. The MOU required robust community engagement in the creation of a specific plan to ensure that the project responded to community needs. Taking into account community feedback, the specific plan included both neighborhood and community parks and trails, in addition to local schools and new residences. The plan was unanimously approved by the City Council and

***“Because of SOAR, residents have found a new, sustainable way to grow that bucks the trend of urban sprawl.”***

Planning Commission, at which point the annexation was submitted to a City-wide vote and was overwhelmingly approved by 83% of voters. Since the project site was located in an existing greenbelt, Limoneira was required to mitigate impacts by purchasing a 34-acre agricultural easement located within the City's Area of Interest. The annexation was approved by Ventura LAFCo in 2011.

As shown in this example, SOAR initiatives in the County are strengthened by LAFCo policies that reinforce earlier efforts of Ventura County and its cities to preserve agricultural lands and focus urban growth inside of existing communities. This alignment of efforts results in orderly growth that responds to community needs. In the words of Supervisor Linda Parks, who is on the Ventura LAFCo Commission as well as the board of SOAR, “Because of SOAR, residents have found a new, sustainable way to grow that bucks the trend of urban sprawl.”

## TOOLS UTILIZED

- » Greenbelts
- » City Urban Restriction Boundaries
- » SOAR Initiatives
- » Guidelines for Orderly Development
- » Informational Guidelines for the Consideration of Agricultural Mitigation Measures

<sup>8</sup> SOAR Website.

<http://www.soarvc.org/what-is-soar/> [accessed 2/26/2018]

## DRIVERS OF SUCCESS

- » Strong agricultural history of the region
- » Active local advocates and community organizers
- » Prioritization of agricultural land conservation among LAFCo commissioners
- » Strong early growth management policies set the foundation for later ones
- » Alignment of policies across jurisdictions
- » Successful relationships with cities, special districts and the County

## CHALLENGES & LESSONS LEARNED

Jurisdictions' ability to pass local SOAR initiatives depends on the extent to which the electorate prioritizes the conservation of agricultural land. Thus, local education about the issue is crucial to success. The presence of strong environmental advocates and community organizers combined with the significant agricultural history of Ventura County were instrumental in passing these SOAR initiatives in the 1990s, and in successfully campaigning for their renewal to 2050. While SOAR does not keep a city from annexing land, it does require a vote of the people to change a City Urban Restriction Boundary and allow for development. Ventura LAFCo has a policy to not accept applications for annexation unless voters have approved amending the City Urban Restriction Boundary. This LAFCo policy, along with enforcement of greenbelt agreements, complements SOAR initiatives well. Lastly, since the LAFCo only has jurisdiction over boundary changes, agricultural land conversion does not always fall under its purview. To address this challenge, the LAFCo's guidelines for agricultural land mitigation encourage lead agencies to consider mitigation in cases of agricultural land conversion when reviewing environmental impact assessments.

**1,023,473** TOTAL ACRES  
unincorporated land protected by  
SOAR initiatives in Ventura County

**92,635** ACRES  
Agricultural / Agricultural – Urban Reserve

**921,770** ACRES  
Open Space / Open Space – Urban Reserve

**9,068** ACRES  
Rural / Rural – Urban Reserve

## USEFUL LINKS

- » Ventura County Guidelines for Orderly Development: <http://www.ventura.LAFCo.ca.gov/wp-content/uploads/2005-GuidelineOD-1.pdf>
- » Informational Guidelines for the Consideration of Agricultural Mitigation Measures: <http://www.ventura.LAFCo.ca.gov/wp-content/uploads/Final-Version-of-Mitigation-Guidelines.pdf>
- » Ventura County SOAR website: <http://www.soarvc.org/>
- » Commissioners Handbook: <http://www.ventura.LAFCo.ca.gov/wp-content/uploads/Ventura-LAF-Co-Commissioners-Handbook-Revised-7-19-17.pdf>
- » Ventura County website: <http://www.ventura.org/>
- » Ventura County Resource Management Agency website: <https://vcrma.org/>
- » Santa Paula's East Area 1 Specific Plan <https://www.scribd.com/document/50982927/Santa-Paula-s-East-Area-1-Specific-Plan>



## CASE STUDY: SONOMA COUNTY

### BACKGROUND

Given its location in the northern San Francisco Bay Area and desirable climate, Sonoma County has long grappled with development pressures. In order to preserve its natural heritage, the County set forth a visionary and highly controversial General Plan in 1978 to focus growth in cities while conserving farmlands and natural resource areas. Then, beginning in 1989, Sonoma County also created Community Separators, which serve as green buffers between cities. While Community Separators do not affect underlying land use designations for the area they cover, they are generally located outside of USAs and are designated with agricultural, resource or rural residential land uses. In the 1990s, voters approved the creation of an Agricultural Preservation and Open Space District as well as the strengthening of Community Separator policies to require a vote of the people in order to change the zoning or modify the boundaries of these areas. In 2016, Sonoma County voters overwhelmingly approved a measure to renew and expand the eight existing Community Separators in the County.

The nine cities in the County have also done their part to manage growth. In 1996, the overwhelming voter approval of urban growth boundaries (UGBs) in Santa Rosa and Sebastopol began a wave of similar policies in the remaining cities in the County. Cloverdale was the last to pass its own UGB in 2010. Most of these voter initiatives expire after 20 years (Cloverdale's in 15 years) and have so far been overwhelmingly reapproved by voters.

### LOCAL PARTNERSHIPS

Sonoma LAFCo plays an important role in supporting these local growth management policies. The LAFCo often gets requests from landowners wanting to subdivide their property and asking for an outside service area agreement, but the LAFCo upholds State law (Government Code §56133) that only allows for such extensions of services in the case of an “existing or impending threat to the health or safety of the public or the residents of the affected territory.” Executive Officer Mark Bramfitt also emphasizes that approving ad-hoc service area expansions would likely lead to increased development on the outskirts of Sonoma County’s cities, which would undermine local growth management goals.

The LAFCo also upholds local UGBs and Community Separators in the case of proposals that would not be consistent and maintains close relationships with the local cities and the County. Annexation or SOI expansion proposals that are inconsistent with its policies rarely make it through an initial screening process and on to the LAFCo Commissioners. Instead, such proposals are determined inconsistent with local land use policy by the cities or the County at a much earlier stage. Sonoma County Comprehensive Planning Manager Jane Riley explained that the County’s relationship with the LAFCo is beneficial, explaining that working closely together over the years has ensured smooth communication and a consistent approach.

Sonoma LAFCo also has a strong relationship with the cities within its countywide jurisdiction. The LAFCo's executive officer explains the issues that he works on with cities are fairly minor; cities and special districts sometimes have questions about process, but they all share the same goals of focusing growth within existing cities. The LAFCo's relationship with the County, cities and special districts also includes a good deal of day-to-day education and collaboration. This interaction is largely informal and happens when LAFCo staff consult these local entities on specific projects, proposals and applications. In addition to this daily communication, the LAFCo held a two-hour "LAFCO 101" training for city and County planning staff members in 2017, which was well-received.

## **OUTCOMES**

The County's Community Separator and the UGBs implemented by every city in the County have created a strong framework for efficient development that can be an instructive practice for cities and counties across the State. This strong foundation is reinforced by Sonoma LAFCo's commitment to uphold these policies, as well as its close relationship with the County, cities and special districts. Its role in providing day-to-day education about the importance of growth management, and the policies in place to that end, is also instrumental in promoting infill development and the protection of natural and working lands in Sonoma County. According to Teri Shore, North Bay Regional Director at the Greenbelt Alliance, "Sonoma LAFCo is a strong model for other LAFCos around the state in terms of working with cities and counties and acting when needed to prevent sprawl and loss of farmland and open space to inappropriate development."

## **TOOLS UTILIZED**

- » Urban Growth Boundaries
- » Community Separator Ordinance
- » Agricultural Preservation and Open Space District
- » Communication and Relationship Building

***"Sonoma LAFCo is a strong model for other LAFCos around the state in terms of working with cities and counties and acting when needed to prevent sprawl and loss of farmland and open space to inappropriate development."***

## **DRIVERS OF SUCCESS**

- » Agricultural heritage of the region
- » Constituents that prioritize the preservation of natural and working lands
- » Strong relationships with the County, cities, and special districts
- » Strong city and county growth management policies

## **CHALLENGES AND LESSONS LEARNED**

In the wake of the fires that tore through Sonoma County in 2017, destroying approximately 6,000 housing units in the County, the LAFCo's role has become more important than ever. As the County looks to rebuild, this increased demand for housing need presents a formidable challenge in a region that, like most areas in California, had already struggled to meet local housing needs. The County Board of Supervisors is calling for the construction of 30,000 new units in the next five years to rebuild the homes that were lost while also addressing the housing shortage that pre-dates these historic fires. While the County and cities are committed to concentrating this growth within city limits, it is an unprecedented level of growth for the County and may not be easy to contain. So far, the County plans to meet this target without substantially changing current policies, but community opposition may complicate dense development of some areas, making it harder to achieve

this goal. The LAFCo can be a key player in ensuring that growth management policies are followed even – and especially – in the face of significant growth.

### **USEFUL LINKS**

- » Sonoma LAFCo: <http://www.sonomaLAFCo.org/>
- » Map of Sonoma County Protected Lands:  
<http://www.sonomaopenspace.org/lands/>
- » Sonoma County General Plan: <https://sonomacounty.ca.gov/PRMD/Long-Range-Plans/General-Plan/>
- » Sonoma County Agriculture and Open Space District:  
<http://www.sonomaopenspace.org/>
- » Bay Area Greenprint:  
<https://www.bayareagreenprint.org/>

## PART V

# RECOMMENDED PRACTICES

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As highlighted in these four case studies and doubtless many other examples of local best practices, there are a number of ways for LAFCoS, cities, counties and special districts to work together to implement effective smart growth practices on the local level. For example, setting up regular meetings between local city and county planning departments that include educational presentations and trainings like Stanislaus County does is a powerful technique. The State General Plan Guidelines, and CALAFCO and American Farmland Trust's "State of the Art on Agricultural Preservation," provide detailed policy guidance on best practices to encourage efficient growth management that may provide a useful starting point for discussing appropriate policies to implement locally. Sonoma LAFCo's efforts to educate local agencies on what LAFCoS do and clarify roles between LAFCo staff and city and county staff can also help streamline collaborative efforts and help conserve precious staff time.

In addition to regular meetings and trainings for planning staff of all local agencies, frequent conversation and collaboration can help build a culture of trust across agencies and make it easier to achieve common goals. Working at the intersection of cities, counties, special districts and regional governments, LAFCoS have the opportunity to help facilitate relationship building and collaboration on growth management among these entities.

MPOs and COGs are critical players that have much to gain from deepening relationships with LAFCoS and local agencies. By engaging these local agencies in the development and updates to the SCS for the region, regional governments can ensure local buy-in and build momentum around smart growth practices. For local agencies, collaborating with MPOs on the development of these plans can help align local and regional goals and make it easier for cities, counties, special districts and LAFCoS to adhere to SCSs in their decision-making.

Another strategy that can help local agencies and LAFCoS meet their smart growth goals is education of the general public about the importance of growth management through building relationships with non-traditional partners. These entities may include community-based organizations, advocacy organizations, land trusts, farmer's unions, open space authorities, small businesses and other organizations whose missions align with the implementation of infill development and protection of agricultural land. This type of coalition-building is important for building consensus and momentum around strong agricultural land protection and smart growth.

Local agencies and LAFCoS also have much to gain by creating accessible websites, along with publications and communications documents that clearly explain the benefits of smart growth in everyday parlance and highlight local efforts to encourage sustainable development patterns. In addition, sharing data on the amount and location of prime agricultural land in the county, land area that has been protected through agricultural easements or the Williamson Act, city growth rates over time, and other key data points can empower local advocates and organizations to promote growth management efforts.

Developing relationships with press and communicating with them about local efforts to create more vibrant, walkable cities while protecting natural and working lands is another meaningful way to educate the public about the importance of this work. Many of the strongest growth management policies highlighted in the case studies were voter initiatives, or were passed by elected leaders who are responsible for representing their constituents. Without convincing the public of the value of encouraging infill development and protecting open space, local agencies and LAFCoS will struggle to meet their goals of effective growth management.

Many of the stakeholders that were interviewed for this paper indicated that the vital role LAFCoS play in their counties is not often understood by the general public – and is sometimes even misunderstood by the organizations and individuals that LAFCoS interact with regularly. This presents an opportunity for LAFCoS and their local agency partners to take an active role in educating stakeholders on LAFCoS' mission, explaining how their vision for efficient growth management aligns with the sustainable land use policies and decisions of local cities, counties and special districts.

## PART VI

# STATE TOOLS AND SUPPORT FOR CLIMATE SMART GROWTH

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The State of California has created a variety of strategic plans and guidance documents that can help provide a framework for local growth management strategies. The Scoping Plan is California's roadmap for meeting our ambitious climate goals. In addition to setting the path forward to meeting 2030 climate targets, it also highlights the key strategies that are needed in order to reach these goals. Preservation of farmland and open space, including forests and wetlands, and promoting infill development are integral components of the State's climate strategy.

While the Scoping Plan provides the overarching framework for reaching the State's Climate goals, it does not address the more granular details of what that might look like on the local level. The Office of Planning and Research provides more applied guidance to local jurisdictions on how to implement these goals through its *General Plan Guidelines*. This document is a primary resource for local governments to prepare their general plans and update local land use goals, policies, and actions. Statutory mandates, guidance, and recommendations are all included in the document and recent updates in 2017 include recommended policies and mapping tools. Smart growth is a critical part to successful land use management in California. The newest version of the General Plan Guidelines highlights this as a priority in a number of sections, including in land use, transportation, air quality, healthy communities, climate change, and implementation. Importantly, these Guidelines include examples of counties where specific practices are being implemented, to encourage effective leverage of these practices. LAFCo are an important local player who should be consulted during General Plan updates. By encouraging jurisdictions to utilize the General Plan Guidelines and suggesting the use of best practices they highlight, LAFCos can advance strong local and countywide planning practices. It is important to note

that the Scoping Plan and General Plan Guidelines are non-regulatory documents – they are meant to be helpful resources that can assist local agencies in planning for a sustainable, resilient, and prosperous future.

Another way for LAFCos to engage with local agencies to meet common goals is through educating and potentially partnering with local jurisdictions to attract State grant funding to help meet smart growth goals. These funds include the suite of *California Climate Investments* programs that are funded through the State's Cap-and-Trade program, as well as funding available for water investments through the *Water Quality, Supply and Infrastructure Improvement Act* (Proposition 1); dollars for transportation investments through the *Road Repair and Accountability Act*<sup>9</sup> (Senate Bill 1); and new funds for parks and environmental protection available through the *Parks, Environment, and Water Bond* (Proposition 68). Cities and counties would be well served to partner with LAFCos on relevant grant proposals to help build LAFCo capacity and improve local coordination to meet collective goals. For example, it may be helpful to include LAFCo as a subgrantee on a planning grant to update a local Municipal Service Review or to help with planning for a disadvantaged unincorporated community.

The State's Cap-and-Trade program in particular has a number of programs aimed at reducing GHG emissions through smart growth. Programs such as the *Sustainable Agricultural Lands Conservation Program*, the *Affordable Housing and Sustainable Communities Program* and the *Transformative Climate Communities Program* can help local jurisdictions employ agricultural land preservation and infill development strategies to help reduce GHG emissions. The Strategic Growth Council's *Technical Assistance Program* is also available to

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<sup>9</sup> A measure to repeal this bill is slated to be on the November 2018 ballot. If passed, this funding source would no longer be available.

help local jurisdictions – particularly those that classify as disadvantaged or low income communities<sup>10</sup> – identify grant programs that could be a good fit for community needs and provide direct application assistance. See the resources section of this paper for more information about these programs and others.

Senate Bill 73, an element of the 2017 legislative Housing Package allows local governments to create Housing Sustainability Districts. These districts will be located in areas with existing infrastructure and transit and zoned at higher densities to encourage more infill development. Environmental review must be conducted prior to the approval of the district designation, allowing for ministerial approval once the new zoning is in place. Cities will be provided funding incentives to establish these districts. The Housing Package also included *Senate Bill 35*, which creates a streamlined approval process for infill housing developments in localities that have failed to meet their regional housing needs assessment targets. While these pieces of legislation do not affect LAFCoS directly, they provide powerful incentives for cities to focus efforts on smart growth and may be helpful in convincing cities to address the growing housing pressures in California through increased infill development rather than suburban sprawl.

Additionally, State legislation (AB 2087) creating *Regional Conservation Investment Strategies* went into effect in January 2017, encouraging voluntary regional planning processes which are intended to result in higher-quality conservation outcomes. One goal is to direct the placement of development and infrastructure, as well as identify optimal locations for habitat mitigation. Several pilots are nearing completion around the State, including in Santa Clara County. LAFCoS and counties in particular should be involved in these planning processes and/or aware of the resulting conservation strategies, which can support them in their own efforts to guide development.

Lastly, the State of California has partnered with the land use scenario planning software company *UrbanFootprint* to make this scenario planning tool available to all

cities, counties and metropolitan planning organizations in the State free-of-charge. This tool provides planners with informative projections of how land use scenarios will affect a variety of economic and environmental indicators, such as tax revenue, infrastructure costs, energy costs, agricultural land conservation, protection of biodiversity, water use, GHG reductions and air pollution, and more. Not only can UrbanFootprint be a powerful tool to help planners draft effective General Plans, it can also help with local decision-making around development and conservation of land, thereby supporting a stronger relationship between LAFCoS and local jurisdictions. When decision-makers and the public alike are presented with strong data showing that decisions to annex land or expand urban services to undeveloped areas may not only have negative environmental impacts, but economic ones as well, it can be much easier to refuse development that runs contrary to the public's interest.

## CONCLUSION

In spite of some clear challenges, cities, counties, and special districts, supported by LAFCoS and regional agencies, have an opportunity to move the needle on building a healthier and more sustainable California. By educating local decision-makers, local agencies and the public about the importance of focusing development in existing communities while protecting farmlands and open space, they can build local support for smart growth policies. Looking to non-traditional partners in this effort may be a helpful way to reach new audiences and strengthen existing efforts that share similar goals. LAFCoS can also work as conveners and facilitators, bringing together local agencies and helping to foster a culture of trust in their counties. Strong, well-reasoned policies that enjoy broad-based support are also a critical ingredient. In this paper, we have highlighted a number of successful best practices from around the State, but there are doubtless many more. We hope that the State tools and resources offered here will provide LAFCoS, cities, counties, special districts and other local agencies with the information they need to protect Californians from the effects of climate change, while improving public health, the economy, and quality of life in our beautiful State.

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<sup>10</sup> Disadvantaged Communities are designated according to their CalEnviroScreen scores. Low-income communities are determined according to the Assembly Bill 1550 definition.

# RESOURCES

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## LEGISLATION CITED

**Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Assembly Bill 743):** Establishes procedures for local government changes of organization, including city incorporations, annexations to a city or special district, and city and special district consolidations.

**California’s Global Warming Solutions Act of 2006 (Assembly Bill 32):** Requires California to reduce its greenhouse gas emissions to 1990 levels by 2020 — a reduction of approximately 15 percent below emissions expected under a “business as usual” scenario.

**Senate Bill 375:** Directs the Air Resources Board to set regional targets for the reduction of greenhouse gas emissions and for Metropolitan Planning Organizations or Councils of Government to create Sustainable Communities Strategies that plan for the attainment of these targets.

**Senate Bill 535:** Directs State and local agencies to make investments that benefit California’s disadvantaged communities. It also directs the California Environmental Protection Agency (CalEPA) to identify disadvantaged communities for the purposes of these investments based on geographic, socio-economic, public health, and environmental hazard criteria.

**Assembly Bill 1550:** Increased the percent of funds for projects located in disadvantaged communities from 10 to 25 percent and added a focus on investments in low-income communities and households.

**Assembly Bill 2087:** Creates Regional Conservation Investment Strategies, which encourage voluntary regional planning processes which are intended to result in higher-quality conservation outcomes.

**Assembly Bill 73:** Provides local governments the option of creating “Housing Sustainability Districts,” which operate as overlay districts to streamline the residential development process in areas with existing infrastructure and transit.

**Senate Bill 35:** Creates a streamlined, ministerial approval process for infill developments in localities that have failed to meet their regional housing needs assessment (RHNA) targets.

## USEFUL TOOLS AND RESOURCES

CalEnviroScreen 3.0:

<https://oehha.ca.gov/calenviroscreen>

California Climate Investments:

<http://www.caclimateinvestments.ca.gov/>

2015 Environmental Goals and Policy Report:

[http://www.opr.ca.gov/docs/EGPR\\_Nov\\_2015.pdf](http://www.opr.ca.gov/docs/EGPR_Nov_2015.pdf)

General Plan Guidelines:

<http://opr.ca.gov/planning/general-plan/>

LAFCOs, General Plans and City Annexations:

[http://opr.ca.gov/docs/LAFCOs\\_GeneralPlans\\_City\\_Annexations.pdf](http://opr.ca.gov/docs/LAFCOs_GeneralPlans_City_Annexations.pdf)

Municipal Service Review Guidelines:

<http://opr.ca.gov/docs/MSRGuidelines.pdf>

UrbanFootprint: <https://urbanfootprint.com/>

Scoping Plan:

<https://www.arb.ca.gov/cc/scopingplan/scopingplan.htm>

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# CONTRIBUTING ORGANIZATIONS

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The **Strategic Growth Council (SGC)** was established in 2008 to coordinate state agency activities in supporting the planning and development of sustainable communities. The SGC also administers a suite of grant programs funded through the California Climate Investments - a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions while providing a variety of other impactful benefits - particularly in disadvantaged communities.

The **California Governor's Office of Planning and Research (OPR)** was established in 1970 to serve the Governor and their Cabinet as staff for long-range planning and research, and constitutes the comprehensive state planning agency. OPR is required to develop long-range policies to assist the state and local agencies in meeting the problems presented by the growth and development of urban areas and defining the complementary roles of the state, cities, counties, school districts, and special districts with respect to such growth. OPR is also charged with assisting local government in land use decisions, conflict resolution among state agencies, creation and adoption of general plan guidelines, operation of the State Clearinghouse for distribution and review of CEQA documents, operation of the Integrated Climate Adaptation and Resiliency Program, and a number of other responsibilities.

The **California Association of Local Agency Formation Commissions (CALAFCO)** is a 501(c)3 non-profit founded in 1971. CALAFCO serves as an organization dedicated to assisting member LAFCoS with educational, technical and legislative resources that otherwise would not be available. The Association provides state-wide coordination of LAFCo activities, serves as a resource to the Legislature and other bodies, and offers a structure for sharing information among the various LAFCoS and other governmental agencies. The membership of CALAFCO consists of all 58 of the LAFCoS in California, along with an associate membership of firms and agencies which support the educational mission of the organization.

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## ACKNOWLEDGEMENTS

We would like to thank the many city and county staff members, LAFCo executive officers and commissioners, planning experts, non-profit staff and advocates who provided invaluable perspectives and information to enrich this report. Special thanks to the Executive Officers of Santa Clara LAFCo, Sonoma LAFCo, Stanislaus LAFCo and Ventura LAFCo for their help in developing case studies for each of the four counties.

**MEMORANDUM**

DATE: October 24, 2018  
TO: LAFCO Commissioners  
FROM: Sara Lytle-Pinhey, Executive Officer *SLP*  
**SUBJECT: 2018 CALAFCO Annual Conference Report**

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The annual conference for the California Association of Local Agency Formation Commissions (CALAFCO) was held on October 3-5, 2018. Attending on behalf of Stanislaus LAFCO were Commissioner DeMartini, LAFCO Staff and Counsel. Commissioner DeMartini provided a presentation regarding Stanislaus County's Agricultural Element and LAFCO's Agricultural Preservation Policy.

The CALAFCO conference also featured sessions on local agency transparency, municipal service reviews, and fire protection services. CALAFCO has uploaded copies of all the conference session materials on its website at:

<https://calafco.org/resources/education-training-annual-conferences/2018-conference-materials>

Attached for the Commission's information is CALAFCO's annual newsletter, "The Sphere," that was distributed at the conference. The next CALAFCO Annual Conference is scheduled for October 30 through November 1, 2019 in Sacramento, CA.

Attachment:

- "The Sphere" Newsletter - October 2018

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October 2018

## Public Transit in Ventura County

Written by Ventura LAFCo



Ventura LAFCo staff first became aware of the complexity of regional public transit in Ventura County following the State Legislature's formation of the Gold Coast Transit District in 2013. Gold Coast, which provides fixed-route and paratransit service within the unincorporated County area and four of the County's ten cities (in the western portion of the County), is the only transit district in the County. When LAFCo established Gold Coast's sphere of influence in 2015 to include the entire County area, staffs of several of the remaining cities were concerned that the Commission's action represented a step toward expansion of Gold Coast throughout the region. This was the starting point for our evaluation of public transit in the 2018 Municipal Service Reviews (MSRs) for the cities.

Within the County, there are nearly a dozen public transit systems. Service providers include cities, the County, Gold Coast, and the Ventura County Transportation Commission. The level of coordination among these systems varies. Depending on a transit user's needs, existing transit is either simple (e.g., involves direct service or one transfer within a single transit system) or more complicated (e.g., requires transferring among multiple transit systems, each with its own schedule, bus stop locations, and fares). No single agency or website provides a complete guide for public transit users planning interagency trips. One study acknowledged the challenges in establishing a coordinated system, including the fact that Ventura County consists of "widely spaced, diverse communities and centers where geographic areas do not share common economic, social, and transportation service values." *Continued on Page 5*

### ANNUAL CONFERENCE EDITION

Public Transit in Ventura County  
2018 Report to the Membership

Message from the Chair

The Legal Corner

Associate Members' Corner

Message from the Executive Director



# The Sphere

*CALAFCO Journal*

October 2018

The Sphere is a publication of the California Association of Local Agency Formation Commissions.

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To submit articles, event announcements, comments or other materials noteworthy to LAFCo commissioners and staff, please contact the Editor at 916-442-6536 or [info@calafco.org](mailto:info@calafco.org).

The contents of this newsletter do not necessarily represent the views of CALAFCO, its members, or their professional or official affiliations.

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## A MESSAGE FROM THE CHAIR OF CALAFCO



**Gay Jones**  
Chair of the Board  
CALAFCO

One united voice has power.

That is why I am so proud of CALAFCO. When we form a united voice, the potential to work together and create the best outcomes for our communities and our state are endless. Large and small LAFCos share the same goals: provide for orderly growth, discourage urban sprawl, preserve agriculture and open space, and ensure the efficient delivery of municipal services.

Over this year, I have had the honor to serve as Chair of CALAFCO. I have participated with our internal and external partners - often with divergent viewpoints - to tackle serious statewide issues. Respectful and thoughtful exchanges occurred, as well as strong debate. Relationships were challenged, both internally and externally. At times our voice was united, and when this occurred, magic happened. This dialogue produced constructive action in legislation and policy development.

CALAFCO has earned a reputation as an honest broker, a go-to resource. We need to continue to work together to maintain this status. We can have a positive impact together. But, this is hard work. It is an on-going process. And, if we stand together with one united voice, we can prevail. Speaking in a united voice takes courage and from that courage comes immeasurable strength.

A huge thanks to my fellow Board Members for their contributions, support and united voice this past year. The executive and ad hoc committees deserve recognition in particular, as do our Members who plan and execute our Conference and Workshops.

My sincere thanks goes to CALAFCO's Executive Director Pamela Miller for her leadership, patience and listening skills, and Herculean efforts on behalf of our organization.

Thanks to all for your professionalism in moving CALAFCO forward. I look forward to a bright future for our Association and the magic to be created by the power of our collective voice.



## A Message from the CALAFCO Executive Director



Pamela Miller  
Executive Director

### The Power of Our Place as Part of the Whole: Lessons From the Wild

I recently returned from a trip to South Africa – a journey that completely shifted my perspective on the world. So much so, in fact, that I scrapped the almost-finished article I’d written and replaced it with this one. The topic of the first article is the same as this one...the perspective and content however, are now very different.

One of the many things I experienced on this journey was a safari. I marveled at how a sequence of various species of wild animals would take their



turn making their way to the watering hole at dawn

and dusk to drink the refreshing water and cool off with a brief swim. Each species respected its place in the ritual and respected the space of the others who were unlike them. *It was as if, for that short period of time, all of them suspended the notion of survival of the fittest and behaved in a way that supported survival of the whole system.* It appeared to me to be an orchestrated thing of raw beauty, grace and even dignity.

As I reflected on those images and encounters, and the feelings I had in those moments, I found myself thinking about my experiences over the past several years and what lessons we as humans can learn from these magnificent wild creatures. How often do we behave in a way that supports the system as a whole? We certainly experience it in time of disaster – people coming to one another’s aid in times of crisis. And our state has been called to do this a great number of times in the past several years. But, what about every day? What about when we are in the middle of the grind? How many of us can say we humbly put aside our own interests and make choices and decisions based on what’s best for the

whole? In our personal lives? In our LAFCOs, cities, counties, districts, communities, associations and other communities to which we belong?

Another experience I had that resonates with me involved a pack of nine wild dogs. Two of the dogs somehow managed to go under an electric fence that separated the Kruger National Park Reserve from a property that hunts the wild animals. We came upon them as the pack frantically ran alongside the two with the fence standing in the way, moving back and forth desperately trying to find a place to get back under and reunite.

After about twenty minutes, one mustered enough courage to crawl under the fence (with a slight zap) at a dip in a gully. The remaining dog was now alone on the other side. The pack kept with her, encouraging her in their own way to find a spot and crawl under. She ran back to the gully and we watched, holding our breath and whispering encouragement to her: “do it, you can do it, come on”. She did not make the move and just kept running back and forth. Meanwhile, part of the pack would run into the bush while the rest of the pack stayed with her.

Eventually we left for the watering hole. In a few minutes most of the pack arrived without the female. We waited...and waited...and then it happened. The female appeared and what we saw then was unbelievable. She was greeted with playful licks, jumps and unconditional joy by her companions. It was as if she had been gone for a month rather than a few hours. The bond of the pack was so strong it was palpable – they were truly family. They were not going to leave her until they were all reunited.



Again I asked myself what are the lessons I can take away from this experience. The more I pondered these and other like questions, the more I found myself reflecting on events of the past couple years. This past year in particular proved to be challenging for CALAFCO and at the same time an opportunity to see what we were made of. While we faced numerous challenges (and still do), we remain strong, focused and whole.

Four big ideas surfaced for me as I pondered these questions.

➤ ***The whole is greater than the sum of its parts***

As is clear with the pack of wild dogs, the power lies in the pack, not in the individual dog. Individually they are agile and formidable hunters. Collectively, they literally outrun their prey by taking turns leading the hunt. When the lead dog tires, another takes over. Together, they run down the prey until it literally tires out. They have a strong bond and strong sense of community and family.

LAFCoS are stronger together, without a doubt. I see this every day through the networking and use of resources like the list serve. The sharing of information, ideas and resources stimulates both a reinforcement of community and the opportunity for innovation and creativity. It doesn't matter if you are urban, suburban or rural. It doesn't matter if you have a \$2 million budget or \$10,000 budget. It doesn't matter if you have part-time contract staff or a staff of fifteen. The reality is our network of LAFCoS is stronger when we work together.

For CALAFCo, it is a powerful statement when we are able to say to the Legislature and others that CALAFCo represents all 58 LAFCoS in the state. It demonstrates unity and collective authority that can yield immeasurable influence, especially when we speak with the same voice. While something may not directly impact or benefit one particular LAFCo, if it impacts or benefits a good number of LAFCoS, responding for the greater good of the whole is in everyone's best interest. It keeps the whole stronger. *As we continue to face challenges, the force of the whole will prove to be greater than the sum of our parts.*

➤ ***Sometimes it's about just surviving and sometimes it's about thriving***

Life in the wild is difficult. There are times when the animals are thinking about nothing but survival – getting the next meal, escaping a predator (so they aren't someone else's next meal), finding water, etc. And at other times, when the dominant female wild dog gives birth to a litter of fifteen strong pups or the endangered white rhino successfully births and raises a calf who carries on the next generation, that is a way of thriving.

You've no doubt heard me say it numerous times the past several years – plan the menu or be on the menu. Recently it feels as though much of my time is spent in Sacramento fighting for LAFCo...to thwart off ideas or legislation to circumvent LAFCo, divest LAFCo authority, create unreasonable mandates for LAFCo, or to secure financial resources for LAFCo. At the same time, other conversations occur in which LAFCoS are touted as a strong and necessary part of the process, as viable

overseers of the delivery of municipal services, and as agencies that generate great value. And, we have our champions in Sacramento too.

I've heard from many LAFCoS that they too, are experiencing this dichotomy – some are struggling to meet their legislative requirements while others are seemingly thriving. I suppose this is true for all organizations. There is an ebb and flow – there are times when we are moving forward and evolving and making strides. And there are times when that is not the case; when it feels like it's all we can do to make it through another day unscathed (or with as few battle scars as possible). We are all learning how to tell our story – the LAFCo story – and showing how effective and valuable we are to the whole. Gaining skills and confidence in telling our stories will create more opportunities for moving us forward into the space of thriving. *The more we are that story, the greater the chances of thriving rather than merely surviving.*

➤ ***Respond when the predator alarm call is sounded***

In the wild, when one animal sounds the alarm that a predator is approaching, it's amazing to see how all of the species in the surrounding area respond. They are immediately in survival mode and act accordingly as instinct kicks into high gear.

This year CALAFCo heard the alarm several times, and sounded the alarm too. We faced great challenges in our fight to obtain state grant funding for LAFCoS. Knowing it was always an uphill battle, we sounded the alarm and call for legislative action and support. We were challenged by stakeholders – some of whom had been strong partners in the past, and we were challenged by Capitol insiders. We faced serious odds and overcame some big obstacles that were put in our path. And when the call sounded, many of you responded. Some of you also responded when we sounded the alarm on legislation that sought to divest LAFCo authority or had negative implications to all LAFCoS. Sometimes it is hard to understand what the direct impact of something is to your own LAFCo, whether that be short-term or long-term. While we haven't quite reached the point in which we speak in one united voice with all 58 LAFCoS, CALAFCo continues to work towards that goal.

Complacency in the wild, especially when the predator alarms is sounded, will surely mean death. While that is a bit of a radical sentiment to apply to LAFCoS or CALAFCo, it's not too far-fetched to say that without a certain level of consciousness about the external environmental factors affecting us, we are putting ourselves at risk. *The greater our internal and external awareness is and the greater our ability to be agile and*

*respond to any alarm when sounded is, the greater our chances are of responding, and responding in a way that not only ensures survival but creates value for the whole.*

➤ ***Evolution is required to avoid extinction***

Each of the animals I observed has to adapt to the changing environmental conditions surrounding them. If they don't, they will find themselves extinct. And, in some cases, despite their own efforts, they are on the verge of extinction as a result of forces outside their own control.

By nature, organizations change and evolve. LAFCo's are not the same agencies they were 54 years ago and CALAFCO is not the same organization it was 47 years ago. We too have had to adapt and evolve ourselves to meet the continually shifting environment – to meet constantly changing political, social, economic and environmental demands. Conversations in 2017 with the Little Hoover Commission and recent questions from the Legislature brought home the fact that if we do not continue to evolve and generate value to the system, we can be replaced.

So how do we evolve? I assert it's through creativity, innovation, calculated risk, flexibility and adaptability, taking advantage of our strengths and shoring up our weaknesses, and being willing to proactively rather than reactively live into the future. Speaking with one united voice as much as possible, and knowing the whole is greater than the sum of the parts are also key elements. CALAFCO has been working hard to evolve and find ways to create greater value for you, our members. And I've heard from many of our member LAFCo's that you too, are working hard to evolve, work proactively and generate greater value by being facilitators, conveners, taking on unique challenges and projects, and by taking some calculated risks for the betterment of the communities you serve. There is success story after success story of this...are you telling yours? *Evolution and transformation is necessary for not just surviving, but for thriving. What is your LAFCo story of evolution?*

***LAFCo's are unique and highly effective local agencies. There are no other entities in the country like LAFCo's. That is the power behind the potential. I invite you to consider the potential of your LAFCo's power as CALAFCO stands in support of and with you.***



## **Public Transit in Ventura County**

*Continued from cover*

Local jurisdictions rely heavily on state funding established by the Transportation Development Act (TDA) to operate public transit service. Flexibility in how a jurisdiction may use TDA funding depends on several factors, such as the jurisdiction's population and status as either a rural or urban community. Each jurisdiction is responsible for covering the remaining "farebox recovery" component of transit costs, which may consist of rider fares and/or additional subsidies. The restrictions built into TDA funding result in the provision of services that are inevitably focused on ensuring that "farebox recovery" can be met, even if the transit need justifies something different (e.g., additional routes or greater bus frequencies).

Despite the challenges, Ventura County has experienced progress toward regional coordination of public transit. As a district, Gold Coast has the ability to implement service improvements and meet transit needs from a system-wide perspective, and distributes TDA funds to its members for transit-

related purposes such as bus stop construction and transit-related maintenance. The East County Transit Alliance (a JPA) was formed by the County and several cities outside of Gold Coast's service area as a result of greater awareness for the need to improve coordination amongst transit systems in the eastern portion of the County, and has initiated programs to simplify interjurisdictional trips for riders in that area (e.g., coordinated hours of operation, route schedules and connectivity, fares, and senior age criteria). Furthermore, technological advances have provided opportunities for improved regional trip-planning resources for riders (e.g., automatic vehicle locators and Google Transit assist riders in accessing transit information online to plan public transit trips), and transfer agreements simplify riders' ability to move between systems.

In the city MSR's, Ventura LAFCo identified transit service improvement options including the annexation of additional cities to Gold Coast, the formation of a second transit district in the eastern portion of the

County, and the establishment of a regional transportation authority to handle the majority of public transit within Ventura County. Most importantly, the Commission established itself as a leader in advocating for more efficient provision of public transit service, and has stimulated fresh dialogue about collectively improving delivery of public transit service in Ventura County.

## THE LEGAL CORNER



### Local Taxing Powers Generate Big Cases

*By: Michael Colantuono, Colantuono, Highsmith & Whatley*

Recent days have been very newsworthy for local government finance, with decisions extending agencies' power to tax electronic commerce and a deal to keep the onerous Business Roundtable Initiative off the November ballot.

*South Dakota v. Wayfair* is the U.S. Supreme Court's blockbuster decision on electronic commerce taxes. For some 50 years, the Court has required a business to have a physical presence in a state or a locality for that government to have the power to tax it. In the 1960s, mail-order businesses did business nationwide, but located in low- or no-tax jurisdictions to avoid collecting and paying taxes in most of their markets. The rise of the internet and electronic commerce has made the physical present rule more and more irrational. As the Court noted, an e-commerce vendor with a pervasive presence in South Dakota (which relies heavily on sales taxes) paid no tax while competitor who warehoused a small amount of inventory there would. Now, significant participation in the taxing agency's marketplace triggers tax jurisdiction.

Congress may weigh in on taxation of electronic commerce. In the meantime, local agencies adopting new taxes (with voter approval) can reach any business with a meaningful role in their communities. Exemptions for very small vendors (like those who sell crafts on Etsy or Craig's List) are wise. The decision's immediate significance will be

enhanced collection of use taxes. Sales in California are subject to sales taxes, collected by sellers from buyers and paid to the State and the local government which was the location (or "situs") of the sale. Use taxes apply to sales by out-of-California businesses, but few sellers collect them (Amazon now does) and even fewer buyers pay them (as the law requires). *Wayfair* allows the State to compel all businesses who do meaningful volume here to collect use taxes for the State and its local agencies.

The onerous Business Roundtable Initiative — funded by Big Soda and requiring two-thirds voter approval for all new taxes and many fees — will not appear on the fall ballot. Backers withdrew it for the Governor's signature on A.B. 1838, an immediately-effective budget-trailer bill forbidding taxes on "groceries" — defined to include "carbonated and noncarbonated nonalcoholic beverages" and to exclude alcohol, cannabis, tobacco and electronic cigarettes — from 2018 to 2030. Soda taxes approved earlier in San Francisco, Berkeley and Albany are exempted. By its terms, the statute applies to all local governments, including charter cities, but a strong argument can be made that no state interest justifies this interference home rule power. The statute restricts litigation of such cases to Sacramento Superior Court, a venue the State has found favorable in post-redevelopment disputes with local government. Public health advocates rue the deal, but many in local government — and public-employee unions which participated in the negotiations — are relieved the Business Roundtable Initiative is off the table.

Other significant developments in local finance law are pending appellate case and the Legislature. We will update you on those next time.

*Reprinted with permission from Michael Colantuono. For more information about this article, contact the law offices at [www.chwlaw.us](http://www.chwlaw.us) or at 530-432-7357.*

### Public Entities Can Limit Public Comment Speaking Time at Meetings

*By: Alexander N. Brand, Associate, Best Best & Krieger*

Public entities can place reasonable time restrictions on public comment at their meetings as long as the time restrictions do not violate state or federal law, a California appellate court said in a fairly sweeping

decision. The Second District Court of Appeal affirmed a trial court's determination that a city transit board's restriction of public comment to 3 minutes, per person, per agenda item, did not violate the Ralph M. Brown Act "open meeting" law or the First Amendment right to free speech. The court also held that the transit board properly allowed staff and invited speakers to speak for longer than the 3 minute time limit imposed on the public.

This opinion in *Ribakoff v. City of Long Beach, et al.* continues a line of cases that recognizes a public entity's ability to put reasonable restrictions on public comment during public meetings. These opinions properly strike a balance between the public's need to address their elected officials, while also allowing the public entity to manage meetings and complete them in a reasonably efficient manner.

Ribakoff regularly attended meetings of the Long Beach Transit Company Board of Directors, which is subject to the Brown Act's open meeting requirements. Board policy required each public speaker to fill out a public comment card, which informed the speaker of the 3 minute limit to address the Board. Ribakoff filled out a card and spoke for 3 minutes on one agenda item, and then attempted to speak to the Board a second time on the same item, but was not allowed to speak. Ribakoff sued, claiming time and subject matter restrictions and discrimination in violation of the Brown Act and the First Amendment.

The appellate court determined that the 3 minute time restriction was reasonable and did not violate the Brown Act or the First Amendment. First, the Brown Act expressly authorizes public entities to put reasonable restrictions on the amount of time a speaker can speak at a meeting and the appellate court concluded that the 3 minute restriction was reasonable. Additionally, the appellate court held the restriction did not violate the First Amendment because it was a content neutral restriction that simply limited the amount of time for speech and not what was said.

Ribakoff also argued that the restriction violated the law because it was not uniformly applied to all speakers, specifically staff and invited speakers. The appellate court concluded that the Board had a reasonable justification for treating invited speakers differently. Finally, contrary to Ribakoff's contention, speech at government meetings is not unlimited and public entities can limit speech at meetings based on time and even some types of

content — i.e. requiring a speaker to address only the topic or agenda item at issue.

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## **Around the State**

### **There's action at Sonoma LAFCo**

Sonoma LAFCo recently relocated their offices. They've moved from the County Administration Center to downtown Santa Rosa, convenient to transit and the Courthouse Square. The new address is 111 Santa Rosa Avenue, Santa Rosa 95404. All other contact information remains the same.

Sonoma LAFCo is also pleased to announce Cynthia Olsen has been promoted to an Analyst, with work focused on fielding inquiries, and processing OSAs and small annexations. They will now be hiring a part-time administrative aide/commission clerk.

### **A Special CALAFCO Thank You to Our First Responders**

The entire CALAFCO membership is deeply grateful for all of our California First Responders and their efforts in the recent wildfires and other natural disasters. You are tested to the limit and with each and every call, you respond with courage, honor and a strength beyond measure. In the face of grave danger, you put your own lives on the line to save the lives and property of others. We honor your tireless and selfless dedication to answering your calling each and every day.





## CALAFCO 2018 Annual Report to the Membership

Dear CALAFCO Members:

The CALAFCO Board of Directors is proud to report the highlights of our Association during the past year, which was a very full year. CALAFCO continues as a strong, vibrant educational resource to our members and as an advocate for LAFCo and LAFCo principles to statewide decision makers. Highlights of the year include our Annual Conference in Yosemite, Staff Workshop in San Rafael, the publication of our statewide disadvantaged unincorporated communities map, and our continued strong presence across the state as an advocate for LAFCo and LAFCo principles to statewide decision makers.

We are pleased to report that all 58 member LAFCos have renewed their membership for the 2018-19 fiscal year, and today we have six (6) Gold Associate members and twenty-four (24) Silver Associate members.

This year CALAFCO earned the *GuideStar Exchange Platinum Seal* in recognition of its transparency and completeness in documentation. This is the highest recognition any nonprofit can receive from Guidestar.

Our achievements are the result of the dedicated efforts of the many volunteer LAFCo staff from around the state who contribute their time and expertise. The Board is grateful to the Commissions who support their staff as they serve in the CALAFCO educational and legislative roles on behalf of all LAFCos. We are also grateful to the Associate members and event Sponsors that help underwrite the educational mission of the Association and allow us to keep registration fees as low as possible.

### EDUCATIONAL SERVICES AND COMMUNICATION

CALAFCO educational and information sharing-services continue to be the Board's top priority for member services. Under this umbrella, the Association focuses its resources in four areas: the Staff Workshop, Annual Conference, CALAFCO University courses, and electronic resources including the web site, quarterly reports and the member list-serves.

#### *2018 Staff Workshop*

We continued the tradition of quality education programming with the Staff Workshop held in San Rafael in April and the Annual Conference in Yosemite in October. The Workshop, hosted by *Marin LAFCo*, brought together 103 LAFCo staff and guests from around the state, representing 40 LAFCos and six Associate member organizations.

The overall rating in the evaluations was 5.5 on a 6.0 scale, the highest rating the Workshop has received since tracking began. We would like to thank the Program Planning Committee members and Chair *Martha Poyatos* (San Mateo LAFCo), our host, *Marin LAFCo*, led by *Rachel Jones*, and all who worked to make this an outstanding Staff Workshop. We also acknowledge and thank the sponsors of this year's Staff Workshop: *Best Best & Krieger*, *Colantuono Highsmith & Whatley*, *MCE Clean Energy*, and Mobile Workshop sponsors *Point Reyes Farmstead Cheese Company*, *The Fork*, and *Marin LAFCo*.

All workshop materials were posted to the CALAFCO website prior to the start of the Workshop.

The 2019 Staff Workshop is set for April 10-12, 2018 at the Holiday Inn in *San Jose*. Our host for this workshop will be *Santa Clara LAFCo*.



### *2018 Annual Conference*

Approximately 275 LAFCo commissioners, staff and guests are expected at the 2018 Annual Conference in Yosemite.



The program is rich in content with general and breakout sessions focusing on topics essential to LAFCos as we all continue to tackle the many challenges we face in fulfilling the mission of LAFCo.

We acknowledge and thank the Conference Committee Chair **Anita Paque** (Calaveras LAFCo), the Program Committee Co-Chairs **Carolyn Emery** (Orange LAFCo) and **Christine Crawford** (Yolo LAFCo), and all who worked on the Program Committee to make this an outstanding Conference.

We wish to also thank all of our sponsors for this year's Annual Conference, without whom this special event would not be possible: **Best Best & Krieger, CV Strategies, Urban Footprint, Lewis Group of Companies, Assemi Group, Inc., Cucamonga Valley Water District, Streamline, Eastern Municipal Water District, Imperial LAFCo, Colantuono Highsmith & Whatley, Irvine Ranch Water District, Inland Empire Utilities Agency, Planwest Partners and Fechter & Company.**

Conference presentation materials are posted on the CALAFCO website in advance of the Conference as they are received from presenters. You can find presentation materials for all prior Conferences on the CALAFCO website.

Next year's Conference will be hosted by CALAFCO and held at the **Hyatt Regency Capitol Park, Sacramento, October 30 through November 1.**

### *CALAFCO University*



There has been one CALAFCO U course so far this year in Sacramento on January 22. The topic was **LAFCo's Evolving Mission: New Laws, Requirements and Transparency.** The session focused on several important topics including how to implement recently enacted

legislation and website transparency requirements for LAFCos. The session was well attended by staff and commissioners with 25 in attendance. Feedback was positive enough to repeat the transparency portion of the session at the 2018 Staff Workshop.

All materials for this and all other CALAFCO U sessions can be found on the CALAFCO website.

### *Accreditations*

CALAFCO's educational activities continue to be accredited by the American Planning Association to provide AICP credits for certified planners. This benefit is provided at no cost to LAFCo staff and helps them maintain their certifications. In addition, both the Conference and Workshop have sessions for LAFCo counsel that have been accredited for MCLE credits by the California Bar.

### *Web Site*

The CALAFCO web site is a vital resource for both LAFCos and the community with questions about local government in California. The site consistently attracts between 5,500 and 6,500 visits per week. The vast majority of the visits are for the reference and resource materials found on the site and referral information to member LAFCos.

### *List-Serves*

The list-serves maintained by the Association continue to be an important communication and information sharing tool among LAFCo staff. In total, we maintain eight list serves to help members share information, materials, and expertise. The List-Serves for executive officers, analysts, clerks and counsel discussions remain the most popular and serve to foster the sharing of information and resources. It is important for you to advise CALAFCO when your staff changes so the list serves can be kept up to date.

### *Quarterly Updates*

After each Board meeting, the Association's Executive Director creates and distributes through the list serves a Quarterly Report on the activities of the Board and Association. As The



Sphere is an annual newsletter, these Quarterly Reports contain more information, a special feature highlighting Associate Members and local LAFCo updates. These bulletins provide informational updates in a timelier manner and at less cost to the Association.

### *White Papers*

On December 31, 2017, CALAFCO published the White Paper *State of the Art on Agricultural Preservation*. This White Paper was created in partnership with the *American Farmland Trust* (AFT). CALAFCO thanks the volunteers who worked on this paper: *Christine Crawford* (Yolo LAFCo), *David Fey* (Fresno LAFCo), *Elliot Mulberg* (Associate Member), *Neelima Palacherla* (Santa Clara LAFCo), *Serena Unger* of the AFT, and the team at *Best Best and Krieger*.

Additionally, CALAFCO completed the project of mapping all of the disadvantaged unincorporated communities (DUCs) throughout the state at the census block group level. This map is posted on the CALAFCO website. The map is not intended to replace or supersede any DUC maps produced by any LAFCo. It is simply a statewide snapshot to ensure compliance with statute for all LAFCos. CALAFCO will update the map every five years. We wish to thank *Joe Serrano* of Monterey LAFCo for his help in completing this critical project.

### LEGISLATIVE PROGRAM

The Board began this legislative year with the commitment of a small Omnibus bill and sponsoring only one other bill which was to provide LAFCos state grant funding.

The CALAFCO Legislative Committee (Committee) began work in November 2017 and met regularly through June 2018.

CALAFCO ended the year tracking a total of twenty-four (24) bills, sponsoring two (2)

bills and taking formal positions on sixteen (16) bills.

Thorough legislative updates are provided in each Quarterly Report and throughout the year via email. In this Annual Report we will summarize the two CALAFCO sponsored bills. A broader legislative discussion on the most critical of bills affecting LAFCo will occur during the Annual Conference – check your program for details. For a complete list of CALAFCO bills, please visit the CALAFCO website Legislation section. Information is updated daily.

The reduced legislative focus included sponsoring a very small Omnibus bill. This year's bill contained all of the items that were left on the cutting room floor from the 2017 Omnibus process. We are grateful to Committee member *Paul Novak* (LA LAFCo) and Assembly Local Government Committee (ALGC) consultants *Misa Lennox* and *Jimmy MacDonald* for their efforts in shepherding this bill, and to all of you who did the work of submitting proposals for insertion into the Omnibus. *AB 3254* was signed by the Governor on July 9 and takes effect January 1, 2019.

The other CALAFCO sponsored bill this year was *AB 2258* (Caballero). Ultimately vetoed by the Governor on September 18, the bill created a one-time, five-year state grant funding program for LAFCos. This bill was a follow up response to the 2017 Little Hoover Commission report and one of their recommendations.

The Strategic Growth Council (SGC) was to administer the grant program. Grant funds were to be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services to disadvantaged communities; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts





(pursuant to SB 448, Wieckowski, 2017). The grant program was set to sunset on July 31, 2024.

Seemingly having nine lives and taking CALAFCO on a wild roller coaster ride, this bill went through six different sets of amendments. We encountered strong resistance from the CA Special Districts Association and a number of their members, which ultimately led to a compromise on the protest provisions portion of the bill after it was successfully moved out of the Senate Governance and Finance Committee with our protest language intact. However, as a result of this committee, a number of other amendments were taken to move the bill, including narrowing the scope of the service providers to those serving disadvantaged communities. Senate Natural Resources and Water Committee also required an amendment to move the bill which required the SGC give preference to LAFCoS whose decisions have been aligned with the goals of sustainable communities strategies.

Unsuccessful in securing a \$1.5 million allocation in the Annual Budget Act to pay for the program, we then put the funding into the bill as an allocation from the General Fund. As the bill passed through the Legislature, we were informed that General Fund allocations are not likely to get signed. In order to have a stronger chance at securing a signature, the author and CALAFCO decided it was best to remove any funding allocation, keep the grant process intact, and try again next year to obtain the allocation in the Annual Budget Act.

Unfortunately, the Governor did not agree with this thinking and stated in his veto message, *“this new spending proposal should be evaluated in the annual budget process where it can be weighed together with the state’s other spending priorities.”*

Even though the bill was not signed into law, CALAFCO can and should be proud of our efforts. We stood up strong in the face of adversity, proving to many that we are a viable

force to be taken seriously. We are learning how to tell our story effectively. Along the way we made new alliances, strengthened others, and tested a few. In the end we made it all the way to the Governor’s desk with a bill that while it had no funding, had a process that was reasonable and impactful to LAFCoS and to disadvantaged communities.

The CALAFCO Board wishes to thank everyone who wrote letters of support along the way and letters requesting the Governor’s signature; to the ad hoc legislative committee who worked in creating the original process (Board members **Bill Connelly** and **Shiva Frentzen**, and Leg Team members **Steve Lucas**, **Bill Nicholson** and **Luis Tapia**), and a very special thank you to Board member **John Leopold** and Executive Director **Pamela Miller** for all of their work in helping drive this bill through to the Governor’s desk.

The Board will now evaluate the process we went through for lessons learned and to decide if there is enough value in pursuing this again in the next legislative year.



We also want to thank all of the people who volunteer to be a part of the Legislative Committee, the Legislative Advisory Committee and to all of the LAFCoS who respond to our call for legislative action by writing letters to Sacramento.

## FINANCIAL POLICIES AND REPORTING

The Board maintains policies and current filings which are in compliance with all federal and state requirements for 501(c)(3) organizations. The CALAFCO Policy Manual, IRS Form 990 and other key Association documents are available on the CALAFCO web site. The Association also maintains its records with the national nonprofit reporting organization, GuideStar ([www.guidestar.com](http://www.guidestar.com)). In 2018 CALAFCO earned the *GuideStar Exchange Platinum Seal* in recognition of its transparency and completeness in documentation. This is the

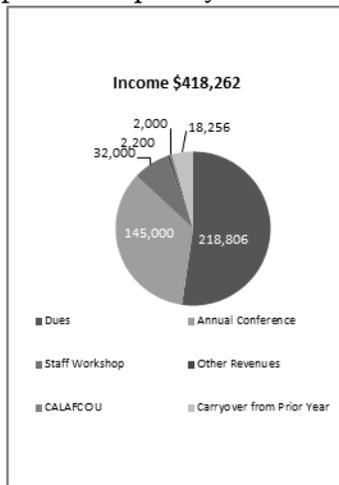


highest level of achievement seal an entity can earn from GuideStar.

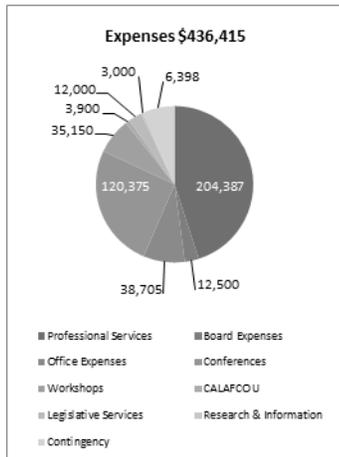
All financial records are reviewed quarterly by an outside CPA with reports to the Treasurer and the Board. The Board also reviews the annual IRS Form 990 tax filing prepared by the CPA and staff.

**2018-19 Budget**

The Board continues to manage the financial resources of the Association closely. As was reported last year, we continue to have an unsustainable reliance on the Conference net profit and prior years' net balance to balance the



The member dues have never covered the operational costs of the Association, and as those costs increase, the increase in dues has not kept pace causing the gap to continue to grow. While the 2017 Conference realized a net profit of 24%, it was not enough to fill the gap.



The adopted FY 2018-19 budget has income at \$418,626 and expenses at \$436,415. This is a gap of \$18,153. In May, the Board unanimously adopted this budget after considering several options,

including reducing expenses by cutting the hours of the Executive Director. The Board is hopeful the gap can be closed with a higher than budgeted Conference net profit and various expense savings throughout the year.

The Board is committed to conducting a thorough financial review in February during the biennial strategic planning retreat, which is the mid-year point. At that time, the Board will decide if cuts need to be made to prevent the use of reserves to balance the budget. During this meeting the Board will also entertain recommendations from the ad hoc financial committee (put in place in October 2017). The charge of the ad hoc committee has been to recommend ways to close the budget gap both short and long term by looking at expenses and revenues.

The Board will provide an update to the membership during the annual business meeting and seek input from our member LAFcos during the subsequent regional roundtable discussions on the work being done to close the budget gap.

**Restricted Fund Reserve**

Since 2005 an important goal established by the Board has been to grow and maintain a Fund Reserve to support member services in uncertain economic times and to avoid the need to tap members for additional funds, as had been done in the past. CALAFCO began the last fiscal year by transferring \$4,000 to the Fund Reserve making the current balance in that account \$162,754, about 60% of the annual operations budget outside of the Conference, Workshop and CALAFCO U. The reserve is not part of the annual budget and requires a vote of the Board to use its funds. The Association has not used the fund reserve since the early 2000s. This year, however, the Board voted to approve the annual budget using a small portion of reserves to balance the budget.

CALAFCO maintains its funds with the Local Agency Investment Fund (LAIF). Interest rates have turned and are slowly on the increase.

All financial reports, including budgets and annual tax filings, are available to the membership on the CALAFCO website as well as on GuideStar's website.



## ASSOCIATION MANAGEMENT

### *Board Member Activity*

Earlier in the year the Board received the resignation of Board member William Kirby (Placer), representing the central regional city seat. Director Kirby lost his LAFCo seat as a result of term limits in his LAFCo for that seat. His vacancy will be filled during this year's caucus.

### *New Associate Member*

We are proud to welcome one new Silver Associate member to the Association this past year. Joining CALAFCO as a Silver member is ***Pacific Gold Agriculture, LLC***. They will be featured in the next Quarterly Report to the membership. CALAFCO thanks all of our Associate Members. We truly value your partnership.



## A FINAL THANK YOU

We wish to thank ***Carolyn Emery*** (Orange) who served the past two years as Deputy Executive Officer (DEO) representing the southern region. We welcome ***Keene Simonds*** (San Diego) who will step in as the southern region's DEO effective October 5, 2018.

Finally we want to recognize the leadership of our Executive Director ***Pamela Miller*** and Executive Officer ***Steve Lucas*** (Butte). Added to that is our appreciation for all the contributions of Executive Assistant ***Jeni Tickler*** in the CALAFCO office, DEOs ***Carolyn Emery*** (Orange), ***Christine Crawford*** (Yolo) and ***Martha Poyatos*** (San Mateo), Legal Counsel ***Clark Alsop*** (BB&K), and CPA ***Jim Gladfelter*** (Alta Mesa Group). These people, along with many other volunteers, Associate members, and members of the Board have all worked together this year to bring many achievements and a strong Association to you, our member LAFCos and Associate members.

Sincerely Yours,

*The CALAFCO Board of Directors*





## Thank You to All of Our Associate Members

### CALAFCO GOLD ASSOCIATE MEMBERS



### CALAFCO SILVER ASSOCIATE MEMBERS

*Berkson Associates  
City of Fontana  
City of Rancho Mirage  
County Sanitation Districts of L. A. County  
Cucamonga Valley Water District  
Dudek  
E. Mulberg & Associates  
Fresno County Fire Protection District  
Goleta West Sanitary District  
Griffith & Matsuda, a Professional Law Corp.  
HdL Coren & Cone  
LACO Associates*

*Lamphier-Gregory  
Marjorie Olsson Blom Consulting  
Meijun, LLC  
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# LOOKING AHEAD....



## **CALAFCO 2019 Staff Workshop**

April 10 - 12  
Holiday Inn San Jose  
Hosted by Santa Clara LAFCo

## **CALAFCO 2019 Annual Conference**

October 30 - November 1  
Hyatt Regency Capitol Park  
Sacramento, CA

## **CALAFCO 2020 Annual Conference**

October 21 - October 23  
Hyatt Regency  
Monterey, CA



# The Sphere

CALAFCO Journal

CALIFORNIA ASSOCIATION OF LOCAL AGENCY  
FORMATION COMMISSIONS

1215 K Street, Suite 1650  
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CALAFCO provides educational, information sharing and technical support for its members by serving as a resource for, and collaborating with, the public, the legislative and executive branches of state government, and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.

**Sharing Information and Resources**

## The Year In Pictures - Scenes from CALAFCO Activities

### CALAFCO Annual Conference 2017

*San Diego, CA*



### CALAFCO Annual Staff Workshop 2018

*San Rafael CA*



**MEMORANDUM**

DATE: October 24, 2018  
TO: LAFCO Commissioners  
FROM: Sara Lytle-Pinhey, Executive Officer *SLP*  
SUBJECT: **Legislative Update**

**RECOMMENDATION**

This Legislative Update is being provided for the Commission's information only. It is recommended that the Commission receive and file this report.

**DISCUSSION**

The following is a summary of bills of interest the 2018 legislative session:

**Provision of Sewer Services: Disadvantaged Communities**  
SB-1215 (Hertzberg) – *Chaptered*

**QUICK SUMMARY:**

*This bill authorizes the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of public and/or private wastewater systems. The process is similar to the authority granted to the SWRCB for drinking water systems (SB-88).*

This bill builds on the authority granted to SWRCB to not only consolidate water systems, but wastewater systems as well. The intent is to provide wastewater services from a more reliable source (typically a city or special district) to a disadvantaged community with one or more inadequate onsite systems, as defined in the bill. The connection to a sewer service provider could be up to three miles away from the disadvantaged community. Although the bill exempts these connections from the provisions of LAFCO law, LAFCO is required to file paperwork to effectuate either an out-of-boundary or annexation documents as necessary to complete the proposal. CALAFCO, CSDA, CSAC, the League of California Cities, and other groups, all opposed the bill, citing numerous concerns with the process and the need for clarifications.

**IMPLICATIONS FOR STANISLAUS LAFCO:**

Stanislaus LAFCO has seen an increase in requests for water service to be extended to failing systems (typically in mobile home parks) in the unincorporated areas as a result of similar legislation (SB-88). It would be expected that as a result of this bill, there will be an increase in similar requests for sewer service extensions into unincorporated areas.

## **Factors for Consideration: Local Hazard & Safety Plans**

AB-2238 (Aguiar-Curry) – *Chaptered*

### QUICK SUMMARY:

Adds an additional factor for the Commission’s consideration during review of proposals.

This bill was considered the “Local Government Disaster Omnibus” bill and contained numerous minor and non-controversial changes to laws affecting local agencies. One of these was an a modification to the Commission’s factors for consideration of proposals. The new factor requires the Commission to review information contained in a local hazard mitigation plan, the safety element of a general plan, and any maps identifying land as a very high fire hazard zone if such information is relevant to the area included in the proposal.

### IMPLICATIONS FOR STANISLAUS LAFCO:

Staff will be including this new factor on proposals beginning on January 1, 2019. Safety and hazards are currently a consideration during the environmental review of a proposal, so there will be a minimal staff time involved to include this additional factor.

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## **Omnibus Bill**

AB-3254 (Committee on Local Government) – *Chaptered*

### QUICK SUMMARY:

Each year, CALAFCO sponsors an omnibus bill that is intended to make minor clarifications and corrections to language in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act).

This year’s omnibus bill contained several non-controversial changes, including the following:

- Clarifications to the terms “affected territory” and “inhabited territory.”
- Clarification to sections describing mailed notices to landowners and registered voters within the affected territory.

### IMPLICATIONS FOR STANISLAUS LAFCO:

Clarifications and improvements to the CKH Act are necessary to insure the law is as unambiguous as possible to the Commission and Staff.

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## **Special Districts: Internet Websites**

SB-929 (McGuire) – *Chaptered*

### QUICK SUMMARY:

*SB-929 requires that every independent special district maintain an internet website by January 1, 2020 that clearly lists contact information for the district, except in limited cases.*

This bill follows a recent Little Hoover Commission report about the transparency of special districts. The report had noted that many special districts lack websites, making it difficult for constituents to locate agendas and contact information. SB-929 implements one of the Little Hoover Commission's recommendations, requiring that by January 1, 2020, each independent special district (with limited exceptions), establish and maintain a website that contains key information about its obligations and operations. A special district is only exempt from this requirement if it adopts a resolution with detailed findings declaring a hardship exists that prevents it from establishing and maintaining a website. The findings may include inadequate access to broadband communications, significantly limited financial resources, or insufficient staff resources. CALAFCO and the California Special Districts Association (CSDA) both supported the bill.

**IMPLICATIONS FOR STANISLAUS LAFCO:**

District websites with updated information are a valuable resource for LAFCO Staff when conducting Municipal Service Review updates and seeking current contact information for special districts.

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**Grant Program for LAFCOs**

AB-2258 (Caballero) – **Vetoed** by the Governor

**QUICK SUMMARY:**

*AB-2258 would have established a grant program specifically for LAFCOs to help fund change of organizations, reorganizations, and special studies.*

This was a CALAFCO-sponsored bill in response to a recommendation from the Little Hoover Commission Report that the Legislature provide one-time grant funding for in-depth studies of service providers. Stanislaus LAFCO provided a letter of support for the bill. The Governor vetoed the bill and included a message that as a new spending proposal it should be evaluated in the annual budget process to weigh it with the State's other priorities.

**IMPLICATIONS FOR STANISLAUS LAFCO:**

Staff will monitor the State's budget process for the potential inclusion of grant funding. The availability of this grant would have been a unique opportunity for LAFCOs to fund in-depth studies, particularly for special districts where no other funding source currently exists.

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**Small System Water Authority Act of 2018**

AB-2050 (Caballero) – **Vetoed** by the Governor

**QUICK SUMMARY:**

*AB-2050 would have authorized creation of a small system water authority that could absorb, improve, and operate noncompliant public water systems. LAFCO would process the formation of the water authority and monitor their compliance with a corrective plan.*

The focus of AB-2050 was on noncompliant public water systems serving disadvantaged communities. The SWRCB already has the authority to mandate consolidation of these

systems. This bill would have added the authority to mandate dissolution of the water systems and formation of new public agencies known as small system water authorities. The formation of the small system water authorities and dissolution of any underlying agencies would be responsibility of LAFCO. The bill would have also required the new authority to file annual performance reports with the Commission. The Commission could then impose civil penalties on the authority for failure to comply with a remedial order by the Commission.

CALAFCO submitted a letter of support for the bill. The Governor vetoed the bill with, stating, “While I appreciate the author’s intent, this bill creates an expensive, bureaucratic process and does not address the most significant problem with providing safe drinking water—a stable funding source to pay for ongoing operations and maintenance costs.”

**IMPLICATIONS FOR STANISLAUS LAFCO:**

Staff was concerned with many provisions of this bill, including the addition of the power of LAFCOs to impose civil penalties for non-complaint water authorities. It is likely that a similar rendition of the bill will be proposed in 2019. Staff will continue to monitor this issue during the next legislative cycle.

CORRESPONDENCE – IN THE NEWS

Newspaper Articles

- West Side Index, September 20, 2018, “Debate flares over ambulance contract.”
- The Turlock Journal, September 28, 2018, “Below-average water year concludes.”
- The Oakdale Leader, October 3, 2018, “Congressman Makes Case for Central Valley Water.”
- West Side Index, October 4, 2018, “Ambulance board to push contract concerns.”
- Riverbank News, October 9, 2018, “Critical OID tunnel project nears completion.”
- West Side Index, October 11, 2018, “West Side Ambulance board eyes downtown location.”

## Debate flares over ambulance contract

### AMR recommends that it assume West Side Operations

NEWMAN - A brief but contentious ambulance board meeting last Tuesday set the stage for a new round of discussions surrounding the contract under which an ambulance industry giant is managing the local service.

American Medical Response (AMR), which entered into an agreement in April to provide management services for the taxpayer-supported ambulance, submitted a Sept. 5 letter stating that it has determined that "the current structure of the partnership/contract is not sustainable in the long-term."

The letter, submitted by AMR Regional Director of Innovative Practices Bruce Lee, went on to recommend that the West Side Community Healthcare District, which operates the ambulance, "dissolve all direct functions of providing ambulance services" and turn those responsibilities over to AMR.

Under the terms of a renegotiated contract, the letter stated, the district and ambulance board would remain in place to manage accounts receivables and tax revenues, and would pay AMR a flat rate for all other services.

That arrangement, Lee said, would bring greater efficiencies to West Side at a time when ambulance providers are facing a number of uncertainties and economic challenges.

But the idea of entering into a restructured contract drew a pointed response from the ambulance board, particularly in light of frustration board members expressed regarding the transition to AMR for services.

Board member George Schmidt pointed to a section of the contract detailing the accounting services which are to be provided by AMR, including payroll, accounts payable, management of bank accounts and other duties, saying "very little of that has been done. We have been hand-writing our checks. When are you going to get started? I am really upset about this."

Lee had previously said that AMR is moving forward on several fronts. The company has started billing on West Side's behalf as of Sept. 1, he said, and has reached out to a payroll firm to provide services.

He acknowledged that contract language calls for management of the bank accounts, but said AMR is "concerned" about that responsibility.

That situation could reflect "our error in terms of a misunderstanding of the scope of services," Lee said.

He said AMR is looking for alternative ways to accomplish that task, not to push it back onto the board, and hopes to have a resolution by next month.

Board member David Varnell suggested that he would not be able to support a renegotiated contract in light of AMR's performance to date.

"I have a real problem with this. We went into an agreement with you to take care of everything," Varnell told Lee. "You're not doing what you said you would do in the first place. You haven't shown any good faith."

In response to further questioning from Varnell regarding the management contract, Lee responded that "there was never a formal RFP (request for proposal) with a formal, specific scope of services. There are words that describe the services, but there was not a formal RFP that we could review details of scope of services and expectations."

**IN THE NEWS – West Side Index, September 20, 2018 (Continued Page 2)**

At that point, legal counsel for the district weighed in.

But, attorney Nicolas Cardella noted, AMR did have the opportunity to review the contract and the document spelled out the services it agreed to provide.

"Without a lot of detail," Lee stated.

The contract, Cardella told Lee, "has enough detail to answer the question of whether you are obligated to perform the services.

"I'm having difficulty understanding AMR's position with respect to this provision, why it is not doing these things," Cardella said.

Lee countered that the majority of duties spelled out in the contract are being fulfilled, but conceded that AMR has encountered some unforeseen challenges in the transition.

"It is the major things that you are not doing," Schmidt asserted.

Lee, however, countered that "the major things are assuring that services are provided 24/7 to the citizens and lives are being saved. Those are the major things we are here for."

"Generally speaking, it is not an excuse for breach of contract that you are honoring most of the terms," Cardella responded. "This is a very significant term for the district. I get that you are doing a lot of good stuff, but why is it that you are not doing these things that are in the contract that the contract says you have to do?"

AMR, Lee said, is "in good faith working our way through the requirements."

Earlier in the meeting, Lee had stated that the recommendation developed by AMR would not bind West Side to using that company.

"We want to make sure that the district is healthy and survives. It doesn't have to be us doing it. The other issues, we are working to resolve," he told the board. "I am in good faith telling you that I think time is limited for all small services. You need to take a look at doing business in a different way. That is what this letter is about."

The AMR contract is expected to be on the Tuesday, Sept. 25 ambulance board agenda for further discussion. The board will convene at 7 p.m. in the community meeting room behind the Newman Police Department (entry off Kern Street).

Where that discussion leads remains to be seen, but ambulance board President Rick Daniel told Mattos Newspapers last week that he had previously advised Lee that the recommended re-structuring of the contract "was not going to fly."

"It is frustrating," Daniel said of the situation. "Unless they get the current contract completely operational, there can't be another contract."

That said, Daniel also acknowledged that ambulance service providers, particularly small agencies that lack economies of scale, face an increasingly difficult operating climate.

The re-structuring recommended by AMR might warrant consideration a year or two down the road if "we had a contract that was working the way it was supposed to work," Daniel told Mattos Newspapers. "But right now, no."

## Below-average water year concludes

By Angelina Martin

After a short respite from drought conditions thanks to a historically wet 2017 in the San Joaquin Valley, the conclusion of the 2018 water year shows that California may not be out of the woods just yet when it comes to lacking water.

This past precipitation year, which began Sept. 1, 2017 and ended Aug. 31, saw 30.9 inches of rainfall — 5.2 fewer inches than the historical average for the area, or about 85.6 percent of average for the date.

The 2016-2017 precipitation year, in comparison, was the second-wettest ever recorded in terms of rainfall, and was the wettest year on record when it comes to runoff. The year yielded 63.67 inches of precipitation and as of last October had supplied a runoff of 4.86 million-acre feet.

The 30.9 inches of precipitation accumulated in the Tuolumne River Watershed this year was thanks largely in part to the month of March, which provided an ample amount of rainfall with 14.24 inches — nearly half of the precipitation total for the entire water year.

The numbers in March were a cause for celebration at the time, with Turlock Irrigation District Director Charles Fernandes joking that the wave of water March dropped on the region was reminiscent of the “March Miracle,” the stormy March 1991 that launched the beginning of the end of the state’s 1987-1992 drought.

The wet month helped alleviate some of the strain from the dry months of December and February, which saw rainfall numbers that were significantly lower than the historical average. The watershed received just 0.24 inches of rain in December, compared to the historical average of 5.95 inches, and in February received 0.86, compared to the historical average of 5.99.

In 2015-2016, the Tuolumne River Watershed accumulated 39.42 inches of rainfall which was slightly above the historical average. After four years of drought, the numbers at the time were welcomed by local growers and Valley residents alike, TID Utility Analyst Jason Carkeet warned in March 2016 that dry years could be lurking in the years to come and pointed to tree ring data studies as evidence.

The growth rings of tree trunks are one proxy used by scientists to learn about drought-related patterns of the past — thin rings mean growth stunted by a lack of water, while larger rings represent wetter years.

Although the 2015-2016 and 2016-2017 precipitation seasons were above average, the tree ring data shows that there have been many droughts in California’s past that lasted decades — some even lasting for centuries — and many of them had a few wet years sprinkled in between the dry ones.

The 2014-2015 precipitation year was dismal, yielding just 20.92 inches of rainfall, and now in 2018 the numbers appear to be falling.

In 2016, Carkeet believed the state may be in the middle of a similar drought, finding relief in a couple of above-average rainfall years.

“To come out and say, ‘Hey, we’re on our way out if this,’ that would be foolish I think,” said Carkeet at the time. “Not foolish, but naïve maybe.”

## Congressman Makes Case For Central Valley Water

In the continued battle over water raging in the region, Congressman Jeff Denham sent a letter this week to the White House requesting the president take immediate action to stop Sacramento's radical water grab that would cripple the Central Valley's economy, farms and communities.

The state's water grab, the congressman said, is an unprecedented assault on the Central Valley's water, economy and livelihood and would drain Valley reservoirs, stop hydropower generation, and flush badly needed fresh water out to the ocean.

"The future of the Valley is at stake," said Denham. "Sacramento's water grab is the biggest threat we face, and it must be stopped at all costs."

Denham passed an amendment through the U.S. House of Representatives in July to prohibit federal agencies from participating in the state's plan to deplete the federally owned New Melones Reservoir. The U.S. Senate has failed to act, which Denham said puts at risk the entire Central Valley region and the agriculture industry it relies on.

Denham's letter also addresses the future of Don Pedro Reservoir, pointing out that "bureaucrats in Sacramento" are using the National Marine Fisheries Service (NMFS) to shut down hydropower generation and drastically increase flows on the Tuolumne River.

"The NMFS Sacramento office is essentially holding the Department of Energy, Department of Interior and Department of Agriculture hostage through the hydropower relicensing process as they try to flush insane amounts of our usable water into the ocean, all while charging Valley residents hundreds of millions of dollars to put an experimental fish passage at Don Pedro," said Denham, adding that no available science supports this idea.

## Ambulance board to push contract concerns

NEWMAN - The board which oversees West Side Community Ambulance is serving notice to American Medical Response (AMR) that it considers the industry giant out of compliance with some terms of its contractual agreement to manage the local service.

Ambulance board President Rick Daniel told Mattos Newspapers that the board in closed session last Tuesday directed legal counsel to draft a letter to AMR outlining areas "that we perceive to be in breach of contract."

Daniel said he is pleased with the operations oversight AMR has provided for the ambulance service since taking over management responsibilities earlier this year, but contends not all accounting and financial duties promised in the contract have been picked up by AMR.

Frustration over difficulties encountered in the transition from Sierra Medical Services Alliance (SEMSA) to AMR boiled over in a contentious special meeting on Sept. 11.

Bruce Lee, regional director of innovative practices for AMR, explained at the time that the company has experienced unanticipated challenges in the transition, and said AMR was "concerned about managing the bank accounts of the district."

He did not dispute that financial services such as accounts payable and management of the West Side Community Healthcare District's bank accounts were spelled out in the contract as AMR responsibilities.

Lee at the time, in response to pointed questions from board member George Schmidt, said that while he did not expect the situation to be resolved by the regular September board meeting he "certainly" anticipated a resolution would be reached by October.

Daniel told Mattos Newspapers that, while the AMR management contract was effective in April, SEMSA had continued providing accounting services until the June 30 conclusion of the fiscal year to facilitate a smoother transition. Since that time, he indicated, the district has essentially been in accounting limbo.

Cindy Woolston, AMR's general manager for Stanislaus and Tulare counties, told the ambulance board at its regular meeting of Sept. 25 that she had no financial report to present.

"This is an issue that has been discussed and has not been resolved at this point," said Woolston.

Schmidt once again voiced his displeasure, saying he had discovered that one of the district's accounts had been overdrawn - although overall balances of accounts combined remain in the neighborhood of \$560,000.

"That is unacceptable. This is the first time it has ever happened, and in my opinion it is laid squarely on the side of AMR. We've got to get this thing going," he stated. "When will it be resolved?"

"I don't have an answer for you," Woolston responded. "This is not something I personally resolve. It is being addressed by the folks who handle that."

"They're dragging their feet. They would rather see us go broke. This is the lowest balance we have had in the 10 years I have been on the board," Schmidt countered.

## **IN THE NEWS – West Side Index, September 20, 2018 (Continued Page 2)**

In the absence of accounting services, Schmidt previously said, board members have been writing checks to pay the ambulance service bills.

The cash flow of the district was interrupted by the changeover, which has seen months go by in which no patient transport bills were issued.

Daniel said the board had understood that SEMSA would continue billing services while the lengthy process of switching to AMR was completed, but instead SEMSA discontinued billing on behalf of the ambulance service in April.

AMR has started billing effective Sept. 1, Daniel said, and can bill retroactively to the beginning of July.

The district hopes to reach an agreement with SEMSA to bill for the prior months, he added, but has not yet seen a contract to consider. SEMSA Regional Director Rob Smith advised the board at its Sept. 11 meeting that a contract was in legal review at the organization's Reno headquarters.

Adding to the complexities facing the district was a letter from AMR's Lee, advising West Side that the company had determined that the "current structure of the partnership/contract is non sustainable in the long-term" and proposing that AMR essentially absorb the West Side operation.

That scenario would bring management efficiencies that are not currently available to the small, rural ambulance service, Lee indicated.

Under that recommendation, the board would remain intact and would pay AMR a flat fee for services, using operational revenues and tax money.

Daniel said a sub-committee has been formed to explore that recommendation and other alternatives.

"We will look at AMR's proposal for a complete takeover, or if there are other companies out there that might step up and do this," he told Mattos Newspapers.

Daniel acknowledged his vexation with the difficulties in fully transitioning to AMR, and reiterated West Side's expectation that all terms of the management contract will be fulfilled.

"We are waiting for them to step in, pick it up and run with it," Daniel said of the accounting functions. "It is very frustrating."

## CRITICAL    OID    TUNNEL    PROJECT    NEARS COMPLETION

A problematic section of a 100-year-old canal that poses a major threat to many Oakdale Irrigation District customers soon will carry its final drops of water.

The area in question is along the steep Stanislaus River canyon a few miles east of Knights Ferry. It is part of the South Main Canal, which delivers water to about 60 percent of OID's irrigators. The concern is that the potential for a rock slide along a one-mile section of the canal could choke off water during a critical portion of the year. The hazard is compounded by "creep failure" – meaning the canal is slowly moving downhill toward the river.

To eliminate both threats, OID is nearing completion of a 5,949-foot tunnel that is 14 feet tall and 17 feet wide. In the early morning hours on a recent workday, miners precisely linked sections of the tunnel that had been bored from opposite directions beginning a year earlier.

"The potential loss of the South Main Canal in this section has been a critical concern for a long time," said OID General Manager Steve Knell. "It's taken years of hard work by staff and management and funding by the Board of Directors to make this repair possible. Its completion is a significant accomplishment for OID and for water supply reliability on the south side of our service area."

The project began more than a decade ago, in 2007, when Condor Earth of Sonora began the initial tunnel design and geological data reports. At that time, there already was concern that the earth was shifting above the canal, which was built in 1912, three years after OID was formed.

Through the decades, there have been numerous rock slides into the canal, though irrigators rarely experienced any delays during the March through October delivery season. The exception was one major rock slide in the 1980s. Grouted rock bolts were installed through portions of the threatened section of the canal, but officials noted that they were a 'Band-Aid' and not a permanent solution.

A new tunnel was the answer. When it is put into service, the new Two-Mile Bar Tunnel will be OID's 10th on the South Main Canal.

Environmental permits were secured in 2016. They primarily focused on potential impacts to the California tiger salamander as well as vernal pool crustacean habitat.

The project was put out to bid in 2016 and Drill Tech Drilling & Shoring of Antioch was selected. The estimated cost of the tunnel is \$15 million, which OID will pay for in cash with reserves built up by years of strategic transfers and sales of surplus water to West Side irrigation districts.

"All the infrastructure improvements at OID have been and continue to be paid for from the sale of surplus water," Knell said. "To date, 98 percent of all water sale revenues have been spent on projects to rebuild and modernize our irrigation district – at no cost to our rate payers. That's remarkable and a testament to the vision of the OID Board in the late 1990s to develop such a program. It has served the district well."

Mining began Sept. 20, 2017, on the east (or upstream side) of the tunnel. In November 2017 – once the last water of the season had been drained from the South Main canal – tunnel excavating also began from the west (or downstream side).

Between November 2017 and the end of February of this year, Drill Tech crews – often working double-shifts – tunneled 552 feet to the east from the downstream side. They ceased from further mining from that direction in late February, before water once again filled the South Main Canal.

## **IN THE NEWS – Riverbank News, October 9, 2018 (Continued Page 2)**

Meanwhile, work continued from the upstream portion of the tunnel. Day by day, workers bored more than a mile to the west through material known as the Mehrten Formation, a typical rock found in the Table Mountain area.

Workers used huge grinders to slowly claw into the mountain. A conveyer belt fed the mined material into low-profile dump trucks to move it out of the tunnel. Periodically, the sides and ceiling of the tunnel were sprayed with a layer of concrete. When necessary, rock bolts were installed to ensure adequate ground support.

More than 73,000 cubic yards of material – which primarily consisted of volcanic rock millions of years old – was removed and hauled to a site a few miles to the west near Lovers' Leap.

At 1:47 a.m. on Sept. 21, "hole through" occurred – meaning the mining from opposite directions finally met. The survey alignment was spot on, officials said – the tunnel perfectly matched up in height, width and depth.

Between now and next March, when the first water will begin flowing through the new tunnel, workers will be completing final elements of the project. That includes sealing off access to a portion of the South Main Canal bypassed by the tunnel.

The Oakdale Irrigation District is the owner of the project. It delivers water from the Stanislaus River watershed to about 2,900 agricultural customers representing about 80,000 acres in Stanislaus and San Joaquin counties.

Condor Earth of Sonora is the project engineer and construction manager. Drill Tech Drilling & Shoring of Antioch is the tunnel excavation contractor. Bumgardner Biological Consulting of Gold River is the onsite biologist.

## West Side Ambulance board eyes downtown location

NEWMAN - The board which oversees West Side Community Ambulance is eyeing downtown Newman as a possible location for crew quarters.

Board member George Schmidt, with the assistance of an AMR management team member, have been searching out potential Newman locations to serve as a base for ambulance crews.

After several possible sites fell by the wayside for various reasons, Schmidt reported recently to the board that a site in the 1200 block of Main Street holds promise and will be further explored.

The property, owned by Dr. Manuel Canga, includes a vacant area and a building located to the alley-side of the site.

"Dr. Canga is very interested, and he is pursuing several different avenues at the existing parking lot behind the Tails and Nails (business)," said Schmidt, who asked local real estate agent JoAnna Lafler to elaborate.

She said that a general contractor has been on site doing a preliminary investigation of the feasibility of converting the property to crew quarters.

"They are trying to see if they could take the existing building to the back and do a major remodel to it," Lafler explained. "If the city allows conversion of that building to residential (for crew occupancy), you would be adding on to an existing building."

Schmidt said much work remains to be done before the viability of that site is determined.

"The lower the cost of (renovating) the building, I'm sure the lower the rent will be," Schmidt stated. "It will probably be after the first of the year before we are at the point where the board can talk any sort of negotiations. This is going to take several months."

The city would have to sign off on any plans as well.

City Manager Michael Holland previously told Mattos Newspapers that crew quarters would be subject to the same reviews and conditions as any other commercial development in the community.

Lafler said Holland has requested a plan for city officials to review before providing feedback on potential conditions.

"The contractor will draw up the plot plan, with the setbacks, and where it is going to be in respect to the existing building in the front," she told the board. "They want to see parking and all that. When he has that, he will take it over to the city and ask, on a preliminary basis, if it would work."

There is no dollar amount attached to the proposal at this time, Lafler added.

No bid can be formalized, she pointed out, until the city has provided some feedback on what improvements it would require as part of the project.

West Side Community Ambulance typically staffs two units around the clock, so housing for four crew members would be required.

The crews are currently housed at the former West Side Community Hospital between Newman and Gustine, but that location is not viewed by the board as a long-term option.

**EXECUTIVE OFFICER'S AGENDA REPORT  
OCTOBER 24, 2018**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

**SUBJECT: Year-End Financial Report for Fiscal Year 2017-2018**

**RECOMMENDATION**

Staff recommends that the Commission accept this informational report comparing budgeted and actual revenues and expenditures for Fiscal Year 2017-2018.

**DISCUSSION**

At the close of Fiscal Year 2017-2018, the Commission's revenues exceeded its expenditures by \$15,430. Overall, the Commission expended 92% of the amount budgeted for the year. Application revenue was higher than anticipated, with Staff receiving over three times the amount budgeted. A summary of the expenditures and revenues is shown in Table 1, below.

*Table 1: Fiscal Year 2017-2018 Summary*

<i>Expenditures</i>	<b>Adopted Budget FY 17-18</b>	<b>Actuals (Year-End)</b>	<b>Difference</b>	<b>% of Budget</b>
Salaries & Benefits	376,530	361,192	15,338	96%
Services & Supplies	74,345	56,077	18,268	75%
Other Charges	2,500	697	1,803	28%
<b>Total Expenditures</b>	<b>453,375</b>	<b>417,966</b>	<b>35,409</b>	<b>92%</b>
<i>Revenues</i>				
Agency Contributions	394,375	394,375	0	100%
Applications	9,000	32,555	(23,555)	362%
Other (Interest & Reimb.)	-	6,465	(6,465)	-
<b>Total Revenue</b>	<b>403,375</b>	<b>433,396</b>	<b>(30,021)</b>	<b>107%</b>
<b>Revenue Less Expenditures</b>		<b>15,430</b>		

**Expenditures**

The Commission uses three expense categories: Salaries and Benefits, Services and Supplies, and Other Charges. Overall, expenses trended lower than budgeted in each of these categories. Details of the individual accounts are attached to this report. The following are highlights within each of these categories:

**Salaries and Benefits**

At the end of the fiscal year, the Salaries and Benefits category had expenditures of \$361,192, representing 96% of the amount budgeted in this category. This was partly due to savings from unpaid leave time taken during the year.

**EXECUTIVE OFFICER'S AGENDA REPORT  
OCTOBER 24, 2018  
PAGE 2**

Services and Supplies

Expenditures in the Services and Supplies category accounted for 75% of the amount budgeted. The Commission saw a significant cost savings in the Legal Services and Engineering Services accounts, as these are billed based on the need for these services throughout the year and tend to fluctuate.

During Fiscal Year 2017-2018, LAFCO Staff met with the County to review and seek clarification regarding charges for overhead services. This resulted in a credit and savings to the Professional and Special Services Account (#63000). Additional savings will likely be seen in the current budget year under this account.

The Commission Expenses account also trended lower than anticipated. This was due to Commissioners waiving stipends and paying for their own travel expenses to training.

Other Charges

The Other Charges category consists of one account: "Planning Department Services" for shared use of a copier. These costs have been trending lower as Staff strives to make less paper copies of items. Staff lowered the budgeted amount for this category in the current fiscal year.

REVENUES

Overall, the Commission received \$433,396 in revenues, or \$30,021 above what was budgeted. Application revenue in Fiscal Year 2017-2018 exceeded estimates by over \$23,000. In addition, the Commission received over \$6,000 in interest earnings and miscellaneous reimbursements during the Fiscal Year.

CONCLUSION

Because the overall revenues received exceeded expenses at year-end, the use of fund balance was not necessary to offset the budget as originally estimated. These increased revenues received at the close of Fiscal Year 2017-2018 will be factored into the review of fund balance and reserve funds at preparation of the next year's Commission budget.

*Attachments:* Fiscal Year 2017-2018 Expenditures and Revenues Detail

*Stanislaus LAFCO*  
**Fiscal Year 2017-2018 Expenditures and Revenues**

**EXPENDITURES**

Account	FY 17-18 ADOPTED BUDGET	ACTUALS (YEAR-END)	DIFFERENCE	%
				EXPENDED
<b>Salaries and Benefits</b>				
50000+ Salaries and wages	231,200	224,489	6,711	97%
52000 Retirement	61,360	55,681	5,679	91%
52010 FICA	18,310	16,486	1,824	90%
53000 Group health insurance	53,195	54,826	(1,631)	103%
53009 OPEB health insurance liability	2,735	460	2,275	17%
53020 Unemployment insurance	300	300	-	100%
53051 Benefits admin fee	190	144	46	76%
53081 Long term disability	360	330	30	92%
54000 Workers compensation insurance	1,045	1,042	3	100%
55000 Auto allowance	2,400	2,400	(0)	100%
55080 Professional development	2,200	1,899	301	86%
55130 Deferred comp mgmt/conf	3,235	3,136	99	97%
<b>Total Salaries and Benefits</b>	<b>376,530</b>	<b>361,192</b>	<b>15,338</b>	<b>96%</b>
<b>Services and Supplies</b>				
60400 Communications (SBT - Telecom)	1,120	1,107	13	99%
61000 Insurance (SDRMA)	3,240	3,275	(35)	101%
61030 Fiduciary liability insurance	40	30	10	75%
62200 Memberships (CSDA, CALAFCO)	5,670	5,675	(5)	100%
62400 Miscellaneous expense	3,000	2,710	290	90%
62450 Indirect costs (A87 roll forward)	2,195	2,250	(55)	103%
62600 Office supplies	1,500	482	1,018	32%
62730 Postage	1,200	887	313	74%
62750 Other mail room expense	400	268	132	67%
63000 Professional & special serv	13,065	10,650	2,415	82%
Building maint & supplies	3,420	2,909	511	85%
Office lease	3,950	3,774	176	96%
Utilities	1,400	1,349	51	96%
Janitorial	575	620	(45)	108%
Purchasing	275	150	125	55%
CEO/Risk Mgt overhead	3,445	1,848	1,597	54%
63090 Auditing & accounting	2,765	2,617	148	95%
63400 Engineering services	2,000	290	1,710	15%
63640 Legal services	16,000	5,884	10,116	37%
63990+ Outside data proc services (IT & GIS Lic)	8,900	8,839	61	99%
IT Services (SBT)	5,500	5,289	211	96%
Video Streaming (SBT)	1,000	1,000	-	100%
Mtg Recording (Final Cut Media)	1,200	1,350	(150)	113%
GIS License (SBT)	1,200	1,200	-	100%
65000 Publications & legal notices	800	296	504	37%
65780 Education & training	5,500	5,865	(365)	107%
65810 Other supportive services (messenger)	230	280	(50)	122%
65890 Commission expense (stipends, training)	6,100	4,124	1,976	68%
67040 Other travel expenses (mileage)	500	414	86	83%
67201 Salvage disposal	120	135	(15)	113%
<b>Total Services and Supplies</b>	<b>74,345</b>	<b>56,077</b>	<b>18,268</b>	<b>75%</b>

**Other Charges**

73024	Planning dept services	2,500	697	1,803	28%
<b>Total Other Charges</b>		<b>2,500</b>	<b>697</b>	<b>1,803</b>	<b>28%</b>
<b>TOTAL EXPENDITURES</b>		<b>453,375</b>	<b>417,966</b>	<b>35,409</b>	<b>92%</b>

**REVENUES**

<b>Account</b>	<b>FY 17-18 ADOPTED BUDGET</b>	<b>ACTUALS (YEAR-END)</b>	<b>DIFFERENCE</b>	<b>% REALIZED</b>
40680+ Agency Contributions	394,375	394,375	-	100%
40445 Rebates & Refunds	-	12	(12)	-
36414 Application & Other Revenues	9,000	32,555	(23,555)	362%
17000 Interest Earnings	-	5,453	(5,453)	-
40860 Misc. Reimbursements	-	1,000	(1,000)	-
<b>TOTAL REVENUE</b>	<b>403,375</b>	<b>433,396</b>	<b>(30,021)</b>	<b>107%</b>

**Revenues Less Expenditures**

**15,430**

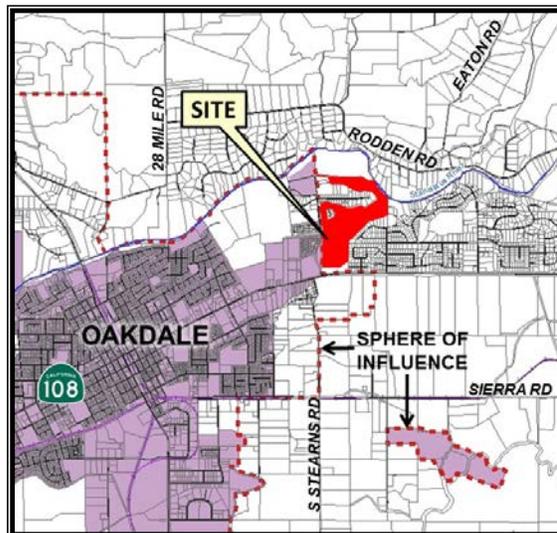
**EXECUTIVE OFFICER'S AGENDA REPORT  
OCTOBER 24, 2018**

**STANISLAUS LOCAL AGENCY FORMATION COMMISSION  
OUT-OF-BOUNDARY SERVICE APPLICATION:  
OAKDALE GOLF & COUNTRY CLUB (CITY OF OAKDALE - WATER & SEWER SERVICE)**

**APPLICANT:** City of Oakdale

**LOCATION:** The site is approximately 133 acres located at 243 N. Stearns Road, north of Highway 108 (APN: 064-016-018). It is within the City's Sphere of Influence. (See Map, Exhibit A.)

**REQUEST:** The City of Oakdale is requesting that LAFCO consider approval of an out-of-boundary service extension to provide water and sewer service to an existing clubhouse and restaurant facility at a golf course and country club. (See City of Oakdale's Out-of-Boundary Application, Exhibit B.)



## **BACKGROUND**

Government Code Section 56133 specifies that a city or special district must apply for and obtain LAFCO approval prior to providing new or extended services outside its jurisdictional boundaries. The section describes two situations where the Commission may authorize service extensions outside a city or district's jurisdictional boundaries:

- (1) For proposals *within* a city or district sphere of influence: in anticipation of a later change of organization.
- (2) For proposals *outside* a city or district sphere of influence: to respond to an existing or impending threat to the public health or safety of the residents of the affected territory.

Stanislaus LAFCO has adopted its own policy to assist in the Commission's review of out-of-boundary service requests, known as Policy 15 (see Exhibit C). Policy 15 reiterates the requirements of Government Code Section 56133 and allows the Executive Officer, on behalf of the Commission, to approve service extensions in limited circumstances to respond to health and safety concerns for existing development. Although the current proposal is requested to address health and safety issues, because the project site is outside of the Sphere of Influence, staff has forwarded the proposal to the Commission for review.

## **DISCUSSION**

State law and Commission policies generally prefer annexation in order to accommodate the extension of services. However, the Commission has recognized that there are situations when out-of-boundary service extensions may be an appropriate alternative, consistent with Government Code Section 56133 and Commission Policy 15, as discussed below.

Consistency with Commission Policy 15

The Commission's Policy 15(D) allows service extensions outside a local agency's sphere of influence only when there is a documented existing or impending health and safety concerns and the request meets one or more of the following criteria as outlined below:

- 1. The lack of the service being requested constitutes an existing or impending health and safety concern.*
- 2. The property is currently developed*
- 3. No future expansion of service will be permitted without approval from the LAFCO.*

The proposed project will provide sewer and water services to an existing clubhouse and restaurant facility located on property owned and managed by the Oakdale Golf and Country Club. It should be noted that the proposed project will not serve the golf course and associated landscaping which will continue utilizing Oakdale Irrigation District water for irrigation purposes.

The Oakdale Golf and Country Club (OGCC) restaurant and clubhouse are currently served by a domestic private well, which is identified as an electric submersible well with an estimated flow of sixty (60) gallons per minute. Based on input provided by the OGCC Consulting Engineer, the estimated flow is well below the standard to meet existing water demands, both for domestic purposes, as well as fire protection for existing facilities.

Since 2014, water quality testing results have shown rising levels of nitrates, causing concern of an impending threat to the water quality being produced by the existing well.

The OGCC existing wastewater facilities consist of a thirty (30) year old private septic system, with septic tanks, a seepage pit, and leach lines. Since 2014, the condition of the private septic and grease trap systems in the clubhouse kitchen have caused sewage to back up into the clubhouse, posing a health concern to members, guests, and employees. Since 2014, the OGCC has had to pump out wastewater from the system to compensate for sewage back up. This pumping has occurred as frequent as once per week.

The proposed project will address health and safety concerns and will provide service to existing development, and no further expansion will be allowed without prior LAFCO approval. Therefore, staff believes that the proposed project is consistent with LAFCO Policy 15(D).

Environmental Review

The City of Oakdale, as Lead Agency under the California Environmental Quality Act (CEQA), has filed a Notice of Exemption pursuant to section 15301 of California Government Code. The installation of the proposed improvements is minor and will be located within the existing City right-of-way. The Commission does not have any further obligations under CEQA for environmental review. the purposes of CEQA.

## **CONCLUSION**

Although annexations to cities or special districts are generally the preferred method for the provision of services, Commission policies also recognize that out-of-boundary service extensions can be an appropriate alternative. Staff believes the City's proposal to provide water and sewer service to the Oakdale Golf and Country Club is consistent with Government Code Section 56133 and the Commission's Policy 15.

## **ALTERNATIVES FOR LAFCO ACTION**

Following consideration of this report and any testimony or additional materials that are submitted at the public hearing for this proposal, the Commission may take one of the following actions:

- APPROVE the request, as submitted by the City.
- DENY the request without prejudice.
- CONTINUE the proposal to a future meeting for additional information.

## **STAFF RECOMMENDATION**

Based on the discussion in this staff report and following any testimony or evidence presented at the meeting, staff recommends that the Commission approve the proposal as submitted by the City of Oakdale and adopt Resolution No. 2018-17, which finds the request to be consistent with Government Code Section 56133 and Commission Policy 15 and includes the following standard terms and conditions:

- A. This approval allows for the extension of water and sewer service to accommodate the clubhouse and restaurant at Oakdale Golf and Country Club only.
- B. The City shall not allow additional water or sewer service connections outside the City limits and beyond the current request without first requesting and securing approval from LAFCO.

Respectfully submitted,

  
\_\_\_\_\_

Javier Camarena  
Assistant Executive Officer

Attachments:   Draft LAFCO Resolution 2018-17  
                  Exhibit A - Map  
                  Exhibit B - Out-of-Boundary Application & Notice of Exemption  
                  Exhibit C - Government Code Section 56133  
                  Exhibit D - LAFCO Policy 15

## **Draft LAFCO Resolution 2018-17**

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**STANISLAUS COUNTY LOCAL AGENCY  
FORMATION COMMISSION**

**RESOLUTION**

**DATE:** October 24, 2018

**NO.** 2018-17

**SUBJECT: OUT-OF-BOUNDARY APPLICATION FOR THE OAKDALE GOLF & COUNTRY CLUB (CITY OF OAKDALE – WATER & SEWER SERVICE)**

On the motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and approved by the following:

Ayes: Commissioners:  
Noes: Commissioners:  
Ineligible: Commissioners:  
Absent: Commissioners:  
Disqualified: Commissioners:

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

**WHEREAS**, the City of Oakdale has submitted an out-of-boundary service application requesting to provide water and sewer service to a property located at 243 N. Stearns Road, north of Highway 108;

**WHEREAS**, the site is otherwise identified as Assessor’s Parcel Number 064-016-018;

**WHEREAS**, the property is located outside the current city limits and sphere of influence of Oakdale;

**WHEREAS**, Government Code Section 56133 states that a city may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county;

**WHEREAS**, Government Code Section 56133 further states that the Commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the affected territory;

**WHEREAS**, the Commission has adopted specific policies (Policy 15) to guide its evaluation of out-of-boundary service applications, consistent with Government Code Section 56133;

**WHEREAS**, in accordance with adopted Commission Policy 15, the current proposal has been forwarded to the Commission as it is outside of the City’s Sphere of Influence;

**WHEREAS**, the City of Oakdale has indicated that it has the ability to serve the site with water and sewer services;

**WHEREAS**, the City of Oakdale, as Lead Agency, has determined that the project is exempt from the California Environmental Quality Act (CEQA) as it is considered minor and there is no

reasonable possibility that the extension of water and sewer services will have a significant effect on the environment;

**WHEREAS**, the Commission, as a Responsible Agency, has considered the City's environmental determination; and,

**WHEREAS**, the Commission has, in evaluating the proposal, considered the report submitted by the Executive Officer, consistency with California Government Code Section 56133 and the Commission's adopted policies, and all testimony and evidence presented at the meeting held on October 24, 2018.

**NOW, THEREFORE, BE IT RESOLVED** that this Commission:

1. Finds that the proposed extension of water and sewer service is consistent with the Commission's adopted policies and California Government Code Section 56133.
2. Certifies, as a Responsible Agency, that it has considered the environmental determination made by City of Oakdale, as Lead Agency pursuant to CEQA.
3. Authorizes the City of Oakdale to provide the requested water and sewer service, subject to the following terms and conditions:
  - A. This approval allows for the extension of water and sewer service to accommodate an existing clubhouse and restaurant only.
  - B. The City shall not allow additional water or sewer service connections outside the City limits and beyond the clubhouse and restaurant without first requesting and securing approval from LAFCO.
4. Directs the Executive Officer to forward a copy of this resolution to the City of Oakdale.

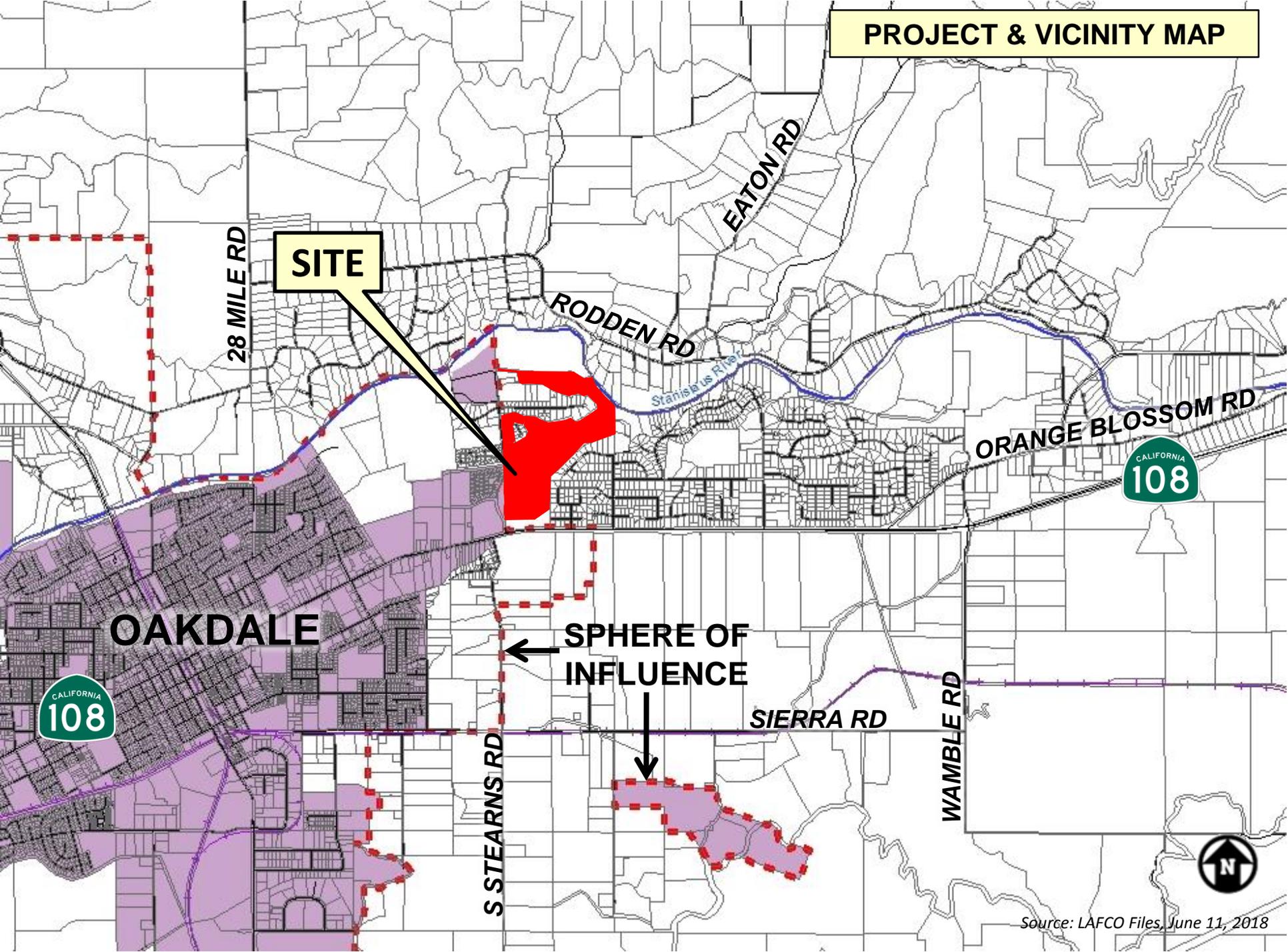
**ATTEST:** \_\_\_\_\_  
Sara Lytle-Pinhey, Executive Officer

# **EXHIBIT A**

**Map**

*This page intentionally left blank.*

**PROJECT & VICINITY MAP**



**SITE**

28 MILE RD

EATON RD

RODDEN RD

Stanislaus River

ORANGE BLOSSOM RD

CALIFORNIA 108

OAKDALE

CALIFORNIA 108

SPHERE OF INFLUENCE

SIERRA RD

WAMBLE RD

S STEARNS RD



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## **EXHIBIT B**

### **City's Out-of-Boundary Application**

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RECEIVED SEP 13 2018

# STANISLAUS LAFCO

Stanislaus Local Agency Formation Commission

1010 – 10 th Street, 3<sup>rd</sup> Floor ♦ Modesto, CA 95354

(209) 525-7660 ♦ FAX (209) 525-7643

www.stanislauslafco.org

## OUT OF BOUNDARY SERVICE APPLICATION

### AGENCY TO EXTEND SERVICE:

AGENCY NAME: City of Oakdale

CONTACT PERSON: Mark Niskanen, Contract Planner

ADDRESS: 455 S. Fifth Avenue, Oakdale, CA 95361

PHONE: (209) 845-3641 FAX: (209) 848-4344 E-MAIL: mark@jbandersonplanning.com

### CONTRACTING PARTY:

NAME OF PROPERTY OWNER: Oakdale Golf and Country Club

SITE ADDRESS: 243 N. Stearns Road, Oakdale, CA 95361

PHONE: (209) 847-2984 FAX: (209) 847-8631 E-MAIL: rschultz@oakdalegcc.org

CONTRACT NUMBER/IDENTIFICATION: Not Applicable

ASSESSOR PARCEL NUMBER(S): 064-016-018

ACREAGE: Approximately 133.33-acres

The following application questions are intended to obtain enough data about the proposal to allow the Commission and staff to adequately assess the service extension. By taking the time to fully respond to the questions below, you can reduce the processing time for this application. You may include any additional information that you believe is pertinent. Use additional sheets where necessary.

1. (a) List type of service(s) to be provided by this application:

Domestic water and wastewater.  
\_\_\_\_\_  
\_\_\_\_\_

(b) Are any of the services identified in 1-a "new" services to be offered by the agency? If yes, please provide explanation.

No.

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2. Please provide a description of the service agreement/contract. (Included in this description should be an explanation as to why a jurisdictional change is not possible at this time and if this extension is an emergency health and safety situation.)

Please refer to Attachment A.

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3. Is annexation of the territory by your agency anticipated at some future time? Please provide an explanation.

Annexation is not being considered at this time.

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4. Is the property to be served within the Agency's sphere of influence?

No.

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5. If the service extension is for development purposes, please provide a complete description of the project to be served.

Please refer to Attachment A.

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6. Has an environmental determination been made for this proposal? If yes, provide a copy. If no, please provide an explanation.

Yes, please see Attachment B.

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7. Are there any land use entitlements involved in the project or contract? If yes, please provide a copy of the documentation for this entitlement. Please check those documents attached:

- Tentative Map and Conditions
- Subdivision Map or Parcel Map
- Specific Plan
- General Plan Amendment
- Rezoning
- Other - (provide explanation) \_\_\_\_\_

8. Please provide a map showing existing facilities and proposed extensions and a detailed description of how services are to be extended to the property. Your response should include, but not be limited to, an explanation of distance for connection to existing infrastructure to the site; and cost of improvements, how financing is to occur, and any special financing arrangement for later repayment.  
Please refer to Attachment A.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CERTIFICATION**

I hereby certify that the statement furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement, and information presented herein are true and correct to the best of my knowledge and belief.

SIGNED:  \_\_\_\_\_

PRINTED NAME: Mark Niskanen \_\_\_\_\_

DATED: 9/13/18 \_\_\_\_\_

**REQUIRED ATTACHMENTS:**

1. Copy of the proposed agreement.
2. Map showing the property to be served, existing agency boundary, and the location of infrastructure to be extended.
3. Application fee.

Please forward the completed form and related information to:

Stanislaus Local Agency Formation Commission  
Attn: Executive Officer  
1010 10<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Modesto, CA 95354

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# STANISLAUS LAFCO

**Stanislaus Local Agency Formation Commission**

1010 – 10 th Street, 3<sup>rd</sup> Floor ♦ Modesto, CA 95354

(209) 525-7660 ♦ FAX (209) 525-7643

[www.stanislauslafco.org](http://www.stanislauslafco.org)

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## INDEMNITY AGREEMENT

As part of this application, the applicant agrees to defend, indemnify, hold harmless and release the Stanislaus Local Agency Formation Commission (LAFCO), its officers, employees, attorneys, or agents from any claim, action or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul, in whole or in part, LAFCO's action on a proposal or on the environmental documents submitted to support it. This indemnification obligation shall include, but not be limited to, damages, costs, expenses, attorney fees, and expert witness fees that may be asserted by any person or entity, including the applicant arising out of or in connection with the application.

Date: 9/13/18

APPLICANT OR APPLICANT'S REPRESENTATIVE:  
(Proof of authority must be provided)

Signature: \_\_\_\_\_  
Name: Mark Niskanen  
Title: Contract Planner  
Agency: City of Oakdale  
Address: 455 S. Fifth Avenue  
Oakdale, CA 95361

# Out of Boundary Service Application

## Attachment A

**2. Please provide a description of the service agreement/contract.**

The Out of Boundary Service Agreement consists of the City of Oakdale providing domestic water and wastewater services to the existing clubhouse and restaurant facility located on property owned and managed by the Oakdale Golf and Country Club (OGCC). While a portion of the OGCC property is located within the Oakdale City limits, the facilities that would receive the benefit of these utilizes (i.e. Clubhouse, Kitchen, etc.) are located beyond the City limits. On September 4, 2018, the Oakdale City Council, by a vote of 4-0, approved the Out of Boundary Service Agreement included as Exhibit A of this application. Existing domestic water and wastewater lines are currently located within N. Stearns Road. In order to provide this service to the OGCC, the OGCC will connect to the existing water and wastewater lines located in N. Stearns Road. It is important to note this request is for domestic (potable) water and domestic wastewater purposes only. The OGCC golf course and grounds utilize Oakdale Irrigation District water for landscaping and the like. The Out of Boundary Service Agreement, as approved by the Oakdale City Council, is focused on providing domestic water and wastewater services to the existing clubhouse facility.

The Exhibit below illustrates the location of the OGCC.

**Location Map**



In accordance with Stanislaus LAFCO Policy 15, *“The Commission may authorize a city or district to provide new or extended services outside its sphere of influence to respond to an existing or impending threat to the public health and safety of the residents of the affected territory in accordance with Government Code Section 56133(c).”*

Below is a summary description of the existing OGCC water and wastewater system, and a summary of the impending public health and safety threat these systems present.

Domestic Water:

The OGCC facilities are currently served domestic water via one (1) private well, which is identified as an electric submersible well with an estimated flow of sixty (60) gallons per minute. Based on input provided by the OGCC Consulting Engineer, the estimated flow is well below the standard to meet existing water demands, both for domestic purposes, as well as fire protection for existing facilities. In addition, the OGCC has historically retained Far West Laboratories to conduct water quality testing, as far back as 2014. Since 2014, water quality testing results have shown rising levels of nitrates, causing concern of an impending threat to the water quality being produced by the existing well. Water quality testing results provided by the OGCC are included as Exhibit B. In addition, for reference, Attachment B also includes Letters from Giuliani and Kull, Inc., dated May 14, 2018 and May 30, 2018, both of which provide a description of the existing OGCC water supply system.

Domestic Wastewater:

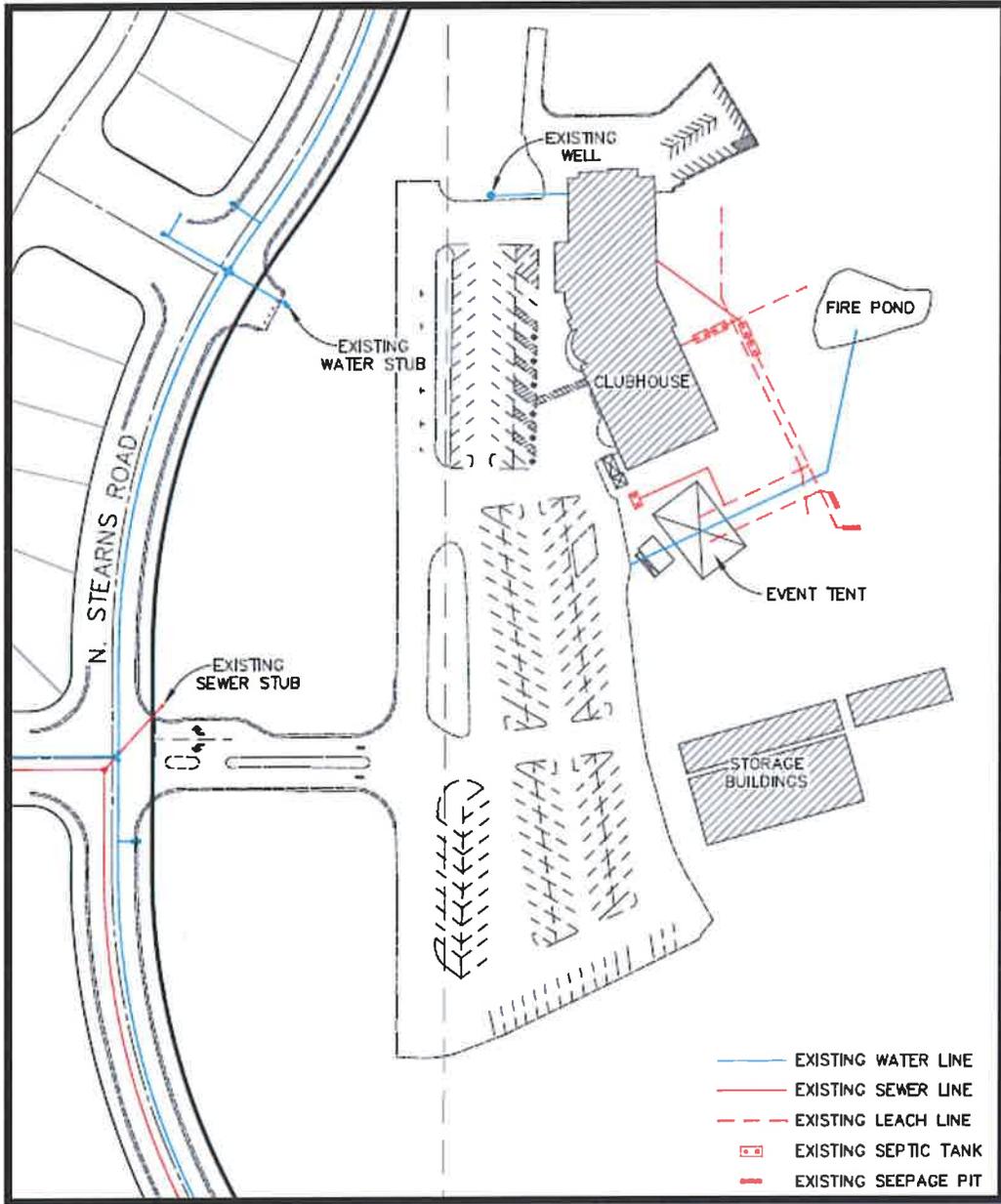
The OGCC existing wastewater facilities consist of a thirty (30) year old private septic system, with septic tanks, a seepage pit, and leach lines. Since 2014, the condition private septic system and grease trap system in the clubhouse kitchen has caused sewage to back up into the clubhouse, posing a health concern to members, guests, and employees. Since 2014, the OGCC has had to pump out wastewater from the system to compensate for sewage back up. This pumping has occurred as frequent as once per week. For reference, a Letter from the OGCC, dated August 22, 2017, is included as Exhibit C.

**8. Please provide a map showing existing facilities and proposed extensions and a detailed description of how services are to be extended to the property.**

The following improvements will be installed as part of this extension:

- Connect existing water line located N. Stearns Road; and,
- Connect to existing wastewater line located in N. Stearns Road.

The Exhibit below illustrates the improvements described above.



Based on a May 2018 Engineer's Estimate prepared by the OGCC Consulting Engineer, the estimated cost of improvements is \$98,230.00.

Under the terms of the Out of Boundary Service Agreement, the OGCC will be responsible for funding the design, engineering, and installation of these improvements.

Details of the improvements and how they will be financed are included in City Council Resolution No. 2018-149 (Exhibit A).

**Exhibit A – City Council Resolution 2018-149**



**IN THE CITY COUNCIL  
OF THE CITY OF OAKDALE  
STATE OF CALIFORNIA  
CITY COUNCIL RESOLUTION 2018-149**

**A RESOLUTION OF THE CITY OF OAKDALE CITY COUNCIL  
APPROVING AN OUT OF BOUNDARY SERVICE AGREEMENT BETWEEN THE  
CITY OF OAKDALE AND THE OAKDALE GOLF AND COUNTRY CLUB FOR THE  
PROVISION OF DOMESTIC WATER AND WASTEWATER SERVICES TO THE  
OAKDALE GOLF AND COUNTRY CLUB (243 NORTH STEARNS ROAD)**

**THE CITY OF OAKDALE CITY COUNCIL DOES HEREBY RESOLVE THAT:**

**WHEREAS**, a request has been submitted by the Oakdale Golf and Country Club to enter into an Out of Boundary Service Agreement between the City of Oakdale and the Oakdale Golf and Country Club for the provision of providing domestic water and wastewater services to property owned by the Oakdale Golf and Country Club, located at 243 North Stearns Road; and,

**WHEREAS**, the Oakdale Golf and Country Club, has requested connecting to City water and wastewater services; and,

**WHEREAS**, the Oakdale Golf and Country Club consists of property located at 243 North Stearns Road, which is located outside of the City limits and the City's Sphere of Influence; and,

**WHEREAS**, the existing water and wastewater system utilized by the Oakdale Golf and Country Club are in failing condition, and considered to be a public health and safety concern due to high levels of Nitrates (water) and the failing conditions of the septic system and leach lines (wastewater); and,

**WHEREAS**, under State law, permission to extend water and wastewater service to the Oakdale Golf and Country Club must be obtained from the Stanislaus County Local Agency Formation Commission (LAFCO); and,

**WHEREAS**, on August 22, 2018, the Oakdale Golf and Country Club Board of Directors voted for approval and executed the Out of Boundary Service Agreement; and,

**WHEREAS**, the City Council held a regularly scheduled meeting hearing on Tuesday, September 4, 2018 considered City staff's recommendation for approval, heard public testimony; and,

**NOW, THEREFORE, BE IT RESOLVED** by the **CITY COUNCIL** of the **CITY OF OAKDALE** that it finds as follows:

1. The proposed project is consistent with the 2030 General Plan and Municipal Code;



**CITY OF OAKDALE**  
**City Council Resolution 2018-149**

2. The proposed project is exempt from environmental review under the California Environmental Quality Act (CEQA) in accordance with Section 15301(b) of the CEQA Guidelines.

**BE IT FURTHER RESOLVED** by the **CITY COUNCIL** of the **CITY OF OAKDALE** that it approves the Out of Boundary Service Agreement (Exhibit A) between the City of Oakdale and the Oakdale Golf and Country Club, and authorizes staff to submit a formal Out of Boundary Service Application to Stanislaus LAFCO.

**BE IT FURTHER RESOLVED** that the project applicant shall indemnify, defend, and hold harmless the City of Oakdale, its agents, officers, and employees from any and all claims, actions, or proceedings against the City of Oakdale, its agents, officers, and employees to attack, set aside, void, or annul any approval by the City of Oakdale and its advisory agency, appeal board, or a legislative body concerning a general plan amendment and related files. The City of Oakdale shall promptly notify the applicant of any claim, action, or proceeding and shall cooperate fully in the defense. If the City fails to do so, the applicant shall not thereafter be responsible to defend, indemnify, or hold City harmless.

**THE FOREGOING RESOLUTION IS HEREBY ADOPTED THIS 4th DAY OF SEPTEMBER 2018**, by the following vote:

AYES:	COUNCIL MEMBERS:	Bairos, McCarty, Murdoch and Paul	(4)
NOES:	COUNCIL MEMBERS:	None	(0)
ABSENT:	COUNCIL MEMBERS:	None	(0)
ABSTAINED:	COUNCIL MEMBERS:	None	(0)

SIGNED:

  
\_\_\_\_\_  
Pat Paul, Mayor

ATTEST:

  
\_\_\_\_\_  
Bryan Whitemyer, Deputy City Clerk

**RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:**

City of Oakdale  
280 North Third Avenue  
Oakdale, CA 95361  
Attn: City Clerk

(Exempt from recording fees; Gov. Code §§ 6103, 27383)

(Space above this line for Recorder's use)

**OUT-OF-AREA AGREEMENT FOR WATER AND SEWER SERVICE**

This **OUT-OF-AREA AGREEMENT FOR WATER AND SEWER SERVICE** ("Agreement") is made and executed this 7<sup>th</sup> day of August, 2018, by and between the **CITY OF OAKDALE**, a California municipal corporation ("City") and **OAKDALE GOLF AND COUNTRY CLUB**, a California corporation, ("OGCC"). The City and OGCC may be referred to herein collectively as the "Parties" or individually as a "Party".

**RECITALS**

- A. OGCC is located just outside of the City limits along North Stearns Road, as shown on the site map attached hereto as **Exhibit A** ("Site Map").
- B. OGCC currently uses onsite wells and an onsite septic system as depicted on the Site Map to provide water and sewer service to provide its members and guests with water and wastewater facilities.
- C. The existing septic system on OGCC's property is failing, requiring connection to City facilities to avoid an unauthorized discharge of wastewater from OGCC property.
- D. The water service at OGCC, currently provided through an onsite well, has been tested and shown increasing nitrate levels, indicating degraded water quality and the need to pursue alternative water sources to ensure potable drinking water can be provided to OGCC members and guests into the future.

{CW065422.2}

E. Connection to the City's water and sewer system will help to ensure that water quality impacts to the groundwater underlying the OGCC property will be minimized, and by connecting to City water and sewer facilities, OGCC will receive water that significantly reduces the potential impacts related to the consumption of water with elevated nitrate levels.

F. Pursuant to Government Code section 56133, the City may extend water and sewer service outside its jurisdictional boundary and sphere of influence to respond to an existing or impending threat to the health or safety of the public.

F. The Parties desire to enter into this Agreement to provide water and service to OGCC, to address public health and safety concerns while acknowledging that this Agreement must ultimately be approved by the Stanislaus County Local Agency Formation Commission ("LAFCO").

**NOW, THEREFORE,** in consideration of the mutual covenants, promises and agreements herein contained, the Parties agree as follows:

#### AGREEMENT

1. **Effective Date; Conditions Precedent.** This Agreement will be effective as of the date on which the Agreement has been executed by all Parties ("Effective Date"). The Parties acknowledge that approval of this Agreement by LAFCO shall be a condition precedent to any rights and obligations provided by this Agreement. No Party will be bound by this Agreement if LAFCO approval of this Agreement does not occur. If LAFCO conditionally approves this Agreement, such conditions shall be complied with as a condition precedent to any rights and obligations provided by this Agreement.

2. **Sphere of Influence and Annexation.** OGCC agrees that the City may apply for modification of the City's sphere of influence to include the OGCC property if City, in its sole and reasonable discretion, deems such inclusion proper, or as may be required by LAFCO. OGCC agrees to cooperate with and assist City in any such proceedings and further covenants and agrees that OGCC shall take no action to hinder, impede or delay such proceedings nor prevent such modification of the City's sphere of influence from being completed. Furthermore, should the City desire to annex the OGCC property, the OGCC waives their right to protest any request to annex the OGCC property into the City of Oakdale.

### **3. Water and Sewer Service.**

**3.1. Term of Service.** City shall provide water and sewer service to OGCC pursuant to this Agreement as if it were within the City's corporate boundaries, until (a) such time as the City annexes all of OGCC in which case this Agreement shall automatically terminate in its entirety as of the date annexation is complete, (b) this Agreement is terminated by mutual written agreement of City and OGCC, or (c) this Agreement is terminated due to default by City or OGCC. In the event the City annexes some, but not all of OGCC, it will continue to provide water and sewer services to that area of OGCC that has not been annexed, and this Agreement shall be amended to cover only that area of OGCC not annexed to the City and to adjust the balance, if any, of unpaid water and sewer impact fees referred to in Section 3.3 hereof, monthly user charges referred to in Section 3.4 hereof, and the amount of the reserve deposit referred to in Section 3.5 hereof.

**3.2. Level of Service.** The City shall maintain the same level of service up to the points of connection at North Stearns Road as the City maintains in its overall service area and in accordance with Federal, State and local laws, regulations and permits.

**3.3. Service Connections In Excess of Capacity.** If OGCC requests new or additional service connections, City shall review and determine if system capacity can accommodate the new or additional proposed water and sewer demands. City may require OGCC to design and construct improvements to the water and sewer system if required to accommodate the increased demand. In the event that the request requires improvements to provide additional system capacity, City shall follow the infrastructure improvements set forth in accordance with any related development agreements and project entitlements.

**3.4. Access Easement.** OGCC agrees to obtain and secure an encroachment permit and all necessary easements from the County for the maintenance of City water and sewer lines to be installed along North Stearns Road and to the point of connection.

### **4. Water and Sewer Fees and Costs.**

**4.1. Engineering, Design and Construction.** OGCC, shall engineer, design, and construct the improvements and bear all costs to engineer and design the improvements that will accommodate connection of the City's water and sewer systems to OGCC in accordance with this Agreement, namely to connect the City's water and sewer systems to the points of connection at North Stearns Road under the City's existing standards, including pressure and bacteria testing. All plans must be submitted to the City Engineer for review and approval prior to construction. No work shall be initiated until the plans and specifications are approved by

(CW065422.2)

City. Regular inspections shall occur once construction has commenced. OGCC will be billed on a time basis for the City Engineer or his designee to review the plans and inspect the work. Preliminary engineer's estimates are included in **Exhibit B** ("Out-of-Area Service Costs"). OGCC and City acknowledge that the costs identified therein are estimates only and are subject to change based on existing field conditions.

**4.2. Sufficiency of Improvements.** OGCC is solely responsible for the adequacy of the facilities necessary to deliver sufficient water volumes and pressure to meet water demand and convey sewer capacity from the connection points with City facilities. These improvements may include a booster pump, tanks or other facilities necessary to ensure adequate system operating and fire flow pressures and volumes.

**4.3. Water and Sewer Impact and Connection Fees.** OGCC will be responsible for a water impact fee in the amount of \$18,144.00 and a water connection fee of \$4,176.95, as well as a sewer impact fee in the amount of \$9,968.00 and a sewer connection fee of \$1,925.00, as shown on Exhibit B attached hereto. Water and sewer impact fees represent the contributive share of the City's cost to expand existing water and sewer facilities, or construct new water or sewer facilities, to account for the new water and sewer demands of OGCC on the City's system. The water and sewer impact fees shall be paid prior to the City's acceptance of improvements.

**4.4. Monthly User Charges.** City will install meters at the points of connection on North Stearns Road. The cost of these meters shall be reimbursed to the City by OGCC. City will bill OGCC in the same manner and at the same rate as properties within City limits. Sewer fees and charges shall be consistent with fees, charges and assessments to provide services to the overall service area of the City. Water fees shall be consistent with the City's standard monthly rate plus a \$10.00 administrative fee in accordance with City Council Resolution No. 2009-172. OGCC will be responsible for any changes to City's water and sewer ordinances, regulations and rates.

**4.5. Termination of Water and Sewer Service.** If for any reason, OGCC is unable to meet the financial requirements for water and sewer service payments as contemplated in this Agreement, the water and sewer service will be turned off and the Agreement will be terminated. Water and sewer service shall be reinstated if and when OGCC complies with the financial obligations defined in this Agreement.

**4.6. Operation and Maintenance.** City shall operate and maintain all facilities up to the point of connection on North Stearns Road. OGCC shall be responsible for maintaining all water and sewer lines from the point of connection on North Stearns Road. Annual tests and

{CW065422.2}

inspections conducted by the City for the City's backflow preventer installed at North Stearns Road shall be funded by OGCC.

**4.7. Reimbursement for Processing Costs.** OGCC agrees to reimburse City for all costs incurred by City in processing this Agreement, including but not limited to the following: (a) all costs necessary or funds required for the submission and processing of this Agreement to LAFCO, including CEQA documentation, if any is required; (b) the cost of all third party consultant and legal counsel expenses of City. Such costs shall be paid within forty-five (45) days of presentation to OGCC or prior to any construction work being performed on the City's water or sewer system, whichever occurs sooner.

**5. Attorney's Fees.** Should litigation be commenced between the Parties to this Agreement concerning this Agreement or the rights and duties of either in relation thereto, the prevailing Party in such litigation shall be entitled to receive reasonable attorney's fees and court costs from the losing Party.

**6. Indemnification.** OGCC shall defend, indemnify, save and hold harmless City and its directors, officers, agents and employees from and against any and all claims, costs, loss, liability or suits, including reasonable attorneys' fees, and including but not limited to allegations of death, bodily injury or property damage, arising out of or related to the operation, maintenance or replacement of the water distribution or sewer system by City on the OGCC, except and to the degree that any such claims, losses or liability are the result of gross negligence or willful misconduct of City, its directors, officers, agents or employees, or its contractors.

**7. Notice.** Any notice or other communication required or permitted hereunder shall be in writing, and shall conclusively be deemed to have been given upon the date it is (i) enclosed in a sealed envelope addressed to the Party to whom it is intended, and deposited in the United States Mail with adequate postage; (ii) delivered to the office of the intended Party; (iii) sent by facsimile or other telegraphic communication in the manner provided in this Section with confirmation by U.S. Mail sent no later than the following day, or (iv) sent through other commercially reasonable means, such as overnight delivery by a reputable courier company. The addresses of the respective parties for all notices shall be:

CITY: City of Oakdale  
Public Services Department  
455 South Fifth Avenue  
Oakdale, CA 95361  
Attn: Jeff Gravel, Public Services Director

{CW065422.2}

And Churchwell White LLP  
1414 K Street, 3<sup>rd</sup> Floor  
Sacramento, CA 95814  
Attn: Douglas L. White, Esq.

OGCC: Oakdale Golf and Country Club  
243 North Stearns Road  
Oakdale, CA 95361  
Attn: Rick Schultz

And \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

City or OGCC may designate a different address by written notice to the other Party, which shall be substituted for that specified above.

**8. General Provisions.**

**8.1. Entire Agreement.** This Agreement (including the Exhibits hereto) constitutes the entire understanding and agreement between City and OGCC relating to the construction, operation, maintenance and payment for water and sewer services to OGCC.

**8.2. Waiver.** No waiver of any right or remedy by a Party with respect to any occurrence or event under this Agreement shall constitute a continuing waiver or be deemed a waiver of any right or remedy in respect to any other or subsequent occurrence or event.

**8.3. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

**8.4. Severability.** If any term, provision, covenant, or condition set forth in this Agreement is held by the final judgment of a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, covenants, and conditions shall continue in full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished.

{CW065422.2}

**8.5. Amendments.** All amendments to this Agreement shall be in writing and, if approved, must be signed by all Parties.

**8.6. Successors and Assigns.** This Agreement shall be for the benefit of OGCC and the City and shall run with the OGCC property, and shall be binding upon the Parties hereto and on all heirs, executors, administrators, successors in interest, and assigns of the owners of the OGCC property.

**8.7. Captions.** The captions of the various Sections in this Agreement are for convenience only and do not, and shall not be deemed to, define, limit or construe the contents of such Sections.

**8.8. Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for all legal proceedings related to this Agreement shall be in the Superior Court of California for Stanislaus County.

**8.9. No Third Party Beneficiaries.** Notwithstanding the Parties' recognition that this Agreement may provide aid or assistance to County residents, it is not the intention of the Parties that such individuals occupy the position of third-party beneficiaries under this Agreement.

*[Signatures on following page]*

IN WITNESS WHEREOF, the Parties hereto have executed and entered into this Agreement as of the Effective Date set forth above.

**CITY OF OAKDALE**, a California municipal corporation

Pat Paul

Pat Paul, Mayor

ATTEST:

Kathy Teixeira

City Clerk - Kathy Teixeira, CMC

APPROVED AS TO FORM

By:

Thomas Hallinan  
City Attorney - Thomas Hallinan

**OAKDALE GOLF AND COUNTRY CLUB**,  
a California corporation

Rick Schultz

Rick Schultz, General Manager/COO

**EXHIBIT A**

**Site Map**

{CW065422.2}

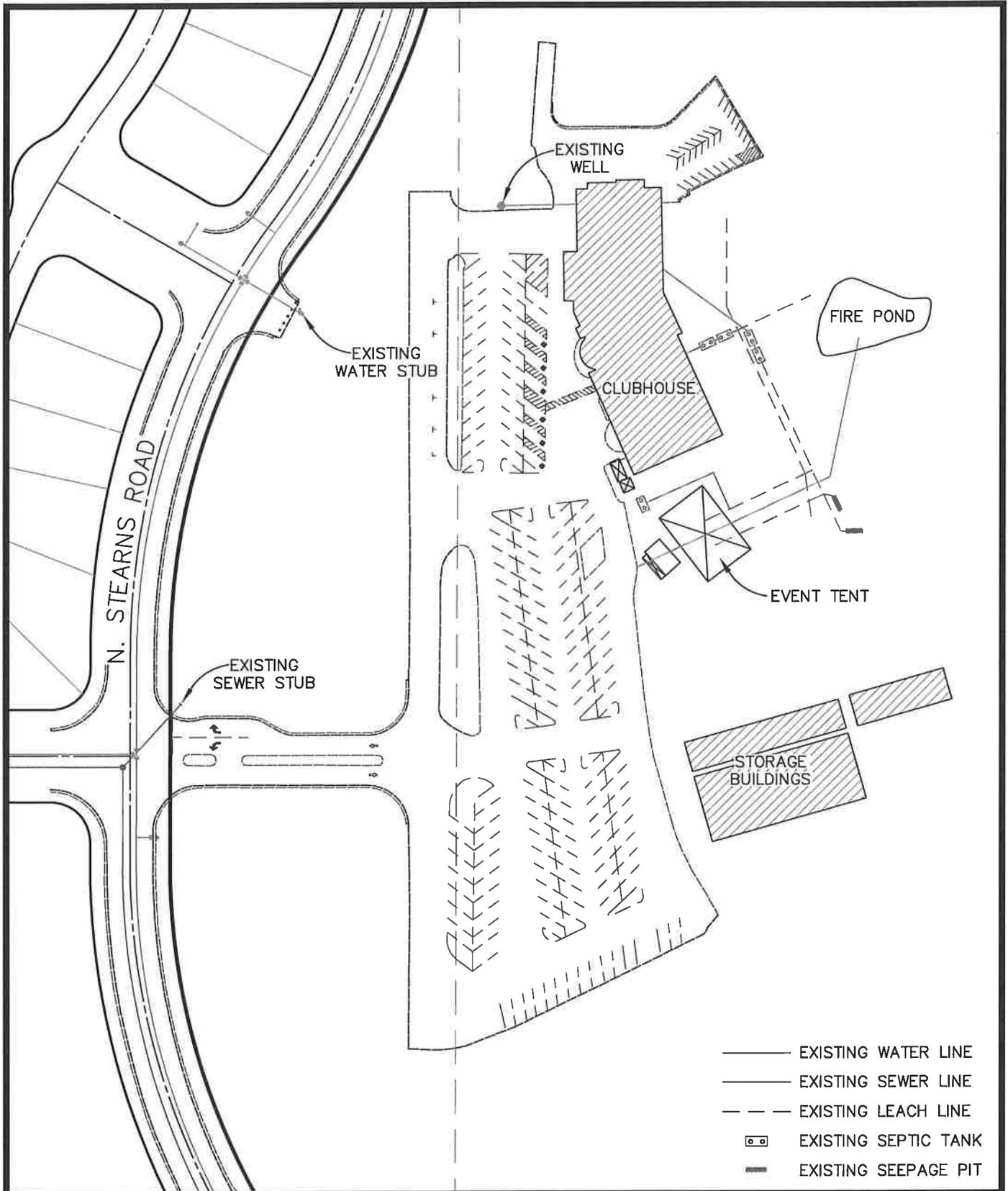
**Preliminary Opinion of Probable Cost**  
**Oakdale Golf and Country Club**  
**Sanitary Sewer & Water Extension**

City of Oakdale  
 May 25, 2018

Description	Quantity	Unit	Cost/Unit	Total
<b><u>MOBILIZATION &amp; DEMOLITION</u></b>				
Mobilization	1	LS	\$2,000.00	\$2,000.00
Erosion Control	1	LS	\$800.00	\$1,000.00
Traffic Control	1	LS	\$1,000.00	\$1,000.00
Clearing & Grubbing	1	LS	\$1,000.00	\$1,000.00
			<b>Sub-Total</b>	<b>\$5,000.00</b>
<b><u>PARKING LOT WORK</u></b>				
Sawcut Asphalt	700	LF	\$5.00	\$3,500.00
6" Asphalt Trench Patching	1400	SF	\$7.00	\$9,800.00
			<b>Sub-Total</b>	<b>\$13,300.00</b>
<b><u>SANITARY SEWER WORK</u></b>				
6 inch PVC Schedule 26 Sewer	400	LF	\$30.00	\$12,000.00
Clean Out	1	EA	\$1,000.00	\$1,000.00
Sanitary Sewer Manhole	1	EA	\$3,500.00	\$3,500.00
Tie Into Existing	1	EA	\$1,000.00	\$1,000.00
			<b>Sub-Total Sewer</b>	<b>\$17,500.00</b>
<b><u>WATERLINE WORK</u></b>				
6 inch PVC Waterline	250	LF	\$50.00	\$12,500.00
Backflow Preventer	1	EA	\$15,000.00	\$15,000.00
Fire Department Connection	1	EA	\$25,000.00	\$25,000.00
Tie Into Existing	1	EA	\$1,000.00	\$1,000.00
			<b>Sub-Total Water</b>	<b>\$53,500.00</b>
			<b>Sub-Total Construction</b>	<b>\$89,300.00</b>
	10%		<b>Contingency</b>	<b>\$8,930.00</b>
			<b>Grand-Total</b>	<b>\$98,230.00</b>

Notes:

This estimate is based on a conceptual design, only. Changes or increase may occur due to governing agency requirements, or due to other items that may be discovered during the final design phase of the project



**GK Giuliani & Kull, Inc.**  
 Engineers • Planners • Surveyors

440 S. Yosemite Avenue, Suite A, Oakdale, CA 95361  
 (209) 847-8726 Fax (209) 847-7323  
 Auburn • Oakdale • San Jose

SCALE: 1" = 100'  
 DRAWN: TRM  
 CHECKED: WFK  
 JOB NO.: XXXXX  
 SHEET: 1 OF 1

**OAKDALE GOLF AND  
 COUNTRY CLUB  
 EXISTING WATER AND  
 SEWER EXHIBIT  
 OAKDALE, CALIFORNIA**

## EXHIBIT B

### Out-of-Area Service Costs

1. Water Connection = \$4,156.95
2. CFF Water = \$18,144.00
3. Water Turn On = \$20.00
4. Water Meter/Backflow = to be determined by Water Division (cost estimate for installation is approximately \$6,000.00, plus annual monitoring costs)
5. Water Rates = City's standard rates Plus \$10.00 per month
6. Sewer Rates = City's standard rates
7. Sewer Connection = \$1,925.00
8. CFF Wastewater = \$9968.00
9. Preliminary Opinion of Probable Cost (attached) = \$98,230
10. City Administrative, Processing, Legal Costs = Actual costs TBD

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Stanislaus }

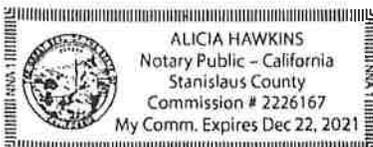
On August 27, 2018 before me, Alicia Hawkins, Notary Public, Here Insert Name and Title of the Officer

personally appeared Rick SchultZ Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature] Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: out of area agreement for water and sewer service

Document Date: August 27, 2018 Number of Pages: 10

Signer(s) Other Than Named Above: city clerk, city attorney, pat paul

Capacity(ies) Claimed by Signer(s)

Signer's Name: Rick SchultZ
[ ] Corporate Officer - Title(s):
[ ] Partner - [ ] Limited [ ] General
[X] Individual [ ] Attorney in Fact
[ ] Trustee [ ] Guardian of Conservator
[ ] Other:
Signer is Representing:

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Stanislaus )

On September 10, 2018 before me, Kathy L. Teixeira, Notary Public  
(insert name and title of the officer)

personally appeared Pat Paul,  
who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~-  
subscribed to the within instrument and acknowledged to me that ~~he~~/~~she~~/~~they~~ executed the same in  
his/~~her~~/~~their~~ authorized capacity~~(ies)~~, and that by ~~his~~/~~her~~/~~their~~ signature~~(s)~~ on the instrument the  
person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Kathy L. Teixeira (Seal)

**Exhibit B – Water Quality Testing Results and Letters from Giuliani and Kull**

May 14, 2018

Mr. Mark Niskanen  
City of Oakdale  
455 S. 5<sup>th</sup> Avenue  
Oakdale, CA 95361

Subject: Oakdale Golf and Country Club, Water System

Dear Mark:

The Oakdale Golf and Country Club is a private golf course and restaurant facility located in the East Oakdale Specific Plan area at 247 North Stearns Road. The club currently uses water from two sources. Most of the irrigation for fairways, ponds and greens is provided from a surface water connection to the Oakdale Irrigation District. The domestic water supply is from a single private well located westerly of clubhouse. The club has experienced challenges in the past from lack of water during power outages and during maintenance and repair of the aging well system in the clubhouse. The club is requesting a domestic water connection and water service from the City of Oakdale to the existing water stub in North Stearns Road.

**WELL**

The existing domestic well is an electric submersible well with the following specifications:

- Franklin Electric Model # 2821139310 control box
- Five (5) horsepower, 230 volt and 23-amp pump
- 2-inch diameter with an estimated flow of 60 gallons per minute

Based on the above specifications the water supply to the clubhouse is less than ideal to meet the water demands. The clubhouse recently converted the flush valve urinals to waterless to reduce water consumption. However, the kitchen, showers, dishwashers and restrooms necessitate significant water demands on the system. In addition, the country club is anticipating facility improvements that may include kitchen expansion, banquet center, fitness center and restaurant expansion. All of these anticipated improvements will require additional water sources to meet fire code, fire sprinklers and domestic water demands.



### WATER QUALITY

Several water quality tests completed by Far West Laboratories have indicated no detectible bacteria in total coliform or fecal coliform for the domestic system. However, the nitrate level has been slowly rising. This trend could be due to fertilizer application, surface irrigation water, the nearby septic systems, and other naturally occurring factors. The nitrate level is well below the safe drinking water standards but should be monitored.

### RECOMMENDED IMPROVEMENTS

During the construction of Stearns Road and D Street the developer provided a water stub to the country club property. The country club is requesting the connection to the City of Oakdale's domestic water system in order to improve the water quality and quantity.

If you have any questions please do not hesitate to contact me.

Sincerely,

**GIULIANI & KULL, INC.**

William F. Kull, P.E., P.L.S.



May 30, 2018

Mr. Mark Niskanen  
 City of Oakdale  
 455 South 5th Street  
 Oakdale, CA 95361

**Subject: Oakdale Golf Country Club Water & Sewer Analysis**

The Oakdale Golf and Country Club is located at 243 North Stearns Road. A portion of the club's property is in the City limits and a portion is in the un-incorporated portion of Stanislaus County. The club currently relies on water from a domestic well and sewage disposal by way of septic systems. Both the water well and septic systems are less than adequate for the existing club operation and will be significantly inadequate when the club desires to expand its clubhouse. The existing well is not metered therefore it is not possible to determine how much water is actually supplied to the clubhouse.

**Table 1: EXISING CLUBHOUSE PLUMBING FIXTURE UNITS**

Type of Fixture	Quantity	Fixture Units Per Fixture	Total
Bathtub/Shower	2	2	4
Kitchen Sink	4	2	8
Bar Sink	1	2	2
Lavatory	10	1	10
Dishwasher	2	2	4
Waterless Urinals	5	1	5
Urinals	1	2	2
Water Closet	9	3	27
Drinking Fountain	2	0.5	1
<b>TOTAL</b>			<b>62</b>

Based on Table 103.3(3) of the International Plumbing Code, the flow rate estimate for 62 fixture units is 55 gallons per minute. Since the existing well is capable of flowing at 60 gallons per minute it is noted that the existng water system is currently at capacity.

**Table 2: FUTURE PLUMBING FIXTURE UNITS**

Type of Fixture	Quantity	Fixture Units Per Fixture	Total
Water Closet	16	4	64
Lavatories	16	2	32
Urinals	2	2	4
Waterless Urinals	8	1	8
Triple Sink	1	6	6
Service Sink	2	3	6
Floor Drain	4	2	8
Showers	8	2	16
Bar Sink	4	2	8
Drinking Fountain	2	0.5	1
Commercial Dish Washer	4	2	8
Mop Slnk	4	2	8
<b>TOTAL</b>			<b>169</b>

Based on Table 103.3(3) of the International Plumbing Code, the flow rate estimate for 169 fixture units is 83 gallons per minute. It is noted that the existing well is capable of flowing at 60 gallons per minute and is not able to produce enough water for future demands. In addition the existing well is incapable of providing fire suppression for sprinklers or hydrants.

**AVERAGE DAILY DEMANDS**

Oakdale Golf and Country Club averages approximately 200 visits per day. Based on estimated water consumption of 25 gallons per day per visit the estimated average daily water demands are 5000 gallons per day. Anticipated improvements to the club could include an improved banquet facility and fitness center. The additional visits are estimated at 250 persons per day with water consumption of 25 gallons per day for a total of 6250 average gallons per day. The water and sewer capacities would be nearly identical since none of the clubhouse water is used for landscape purposes.

Respectfully submitted,

*William F. Kull*

William F. Kull, P.E.  
PE# 34935



**Preliminary Opinion of Probable Cost  
Oakdale Golf and Country Club  
Sanitary Sewer & Water Extension**

City of Oakdale  
May 25, 2018

Description	Quantity	Unit	Cost/Unit	Total
<b><u>MOBILIZATION &amp; DEMOLITION</u></b>				
Mobilization	1	LS	\$2,000.00	\$2,000.00
Erosion Control	1	LS	\$800.00	\$1,000.00
Traffic Control	1	LS	\$1,000.00	\$1,000.00
Clearing & Grubbing	1	LS	\$1,000.00	\$1,000.00
			<b>Sub-Total</b>	<b>\$5,000.00</b>
<b><u>PARKING LOT WORK</u></b>				
Sawcut Asphalt	700	LF	\$5.00	\$3,500.00
6" Asphalt Trench Patching	1400	SF	\$7.00	\$9,800.00
			<b>Sub-Total</b>	<b>\$13,300.00</b>
<b><u>SANITARY SEWER WORK</u></b>				
6 Inch PVC Schedule 26 Sewer	400	LF	\$30.00	\$12,000.00
Clean Out	1	EA	\$1,000.00	\$1,000.00
Sanitary Sewer Manhole	1	EA	\$3,500.00	\$3,500.00
Tie Into Existing	1	EA	\$1,000.00	\$1,000.00
			<b>Sub-Total Sewer</b>	<b>\$17,500.00</b>
<b><u>WATERLINE WORK</u></b>				
6 Inch PVC Waterline	250	LF	\$50.00	\$12,500.00
Backflow Preventer	1	EA	\$15,000.00	\$15,000.00
Fire Department Connection	1	EA	\$25,000.00	\$25,000.00
Tie Into Existing	1	EA	\$1,000.00	\$1,000.00
			<b>Sub-Total Water</b>	<b>\$53,500.00</b>
			<b>Sub-Total Construction</b>	<b>\$89,300.00</b>
	10%		<b>Contingency</b>	<b>\$8,930.00</b>
			<b>Grand-Total</b>	<b>\$98,230.00</b>

Notes:

This estimate is based on a conceptual design, only. Changes or increase may occur due to governing agency requirements, or due to other items that may be discovered during the final design phase of the project

FAR WEST LABORATORIES  
 6602 2ND ST.  
 RIVERBANK, CA 95367

EDT



P. O. Box 355  
 6602 2nd Street  
 Riverbank, CA 95367

Phone 209-869-9260  
 Fax 209-869-2278  
 State Certification #1310

GENERAL MINERAL & PHYSICAL & INORGANIC ANALYSIS (9/99)

Date of Report: 18/08/15

Sample ID No. 28-7990

Laboratory

Signature Lab

Name: FAR WEST LABORATORIES

Director: *[Signature]*

Name of Sampler: M. CUMMINS

Employed By: FAR WEST LABORATORIES

Date/Time Sample

Date/Time Sample

Date Analyses

Collected: 18/08/13/0852

Received @ Lab: 18/08/13/1040

Completed: 18/08/14 *PL*

System

System

Name: OAKDALE GOLF & COUNTRY CLUB (EH)

Number: 5000091

Name or Number of Sample Source: SOUTH WELL

\*\*\*\*\*  
 \* User ID: 50C Station Number: 5000091-001 \*  
 \* Date/Time of Sample: |18|08|13|0852| Laboratory Code: 4450 \*  
 \* YY MM DD TTTT YY MM DD \*  
 \* Date Analysis completed: |18|08|14| \*  
 \* Submitted by: Phone #: \*  
 \*\*\*\*\*

MCL	REPORTING	CHEMICAL	ENTRY	ANALYSES	DLR
	UNITS		#	RESULTS	
	mg/L	Total Hardness (as CaCO3) (mg/L)	00900		
	mg/L	Calcium (Ca) (mg/L)	00916		
	mg/L	Magnesium (Mg) (mg/L)	00927		
	mg/L	Sodium (NA) (mg/L)	00929		
	mg/L	Potassium (K) (mg/L)	00937		
Total Cations & Total Anions M0.00					
	mg/L	Total Alkalinity (AS CaCO3) (mg/L)	00410		
	mg/L	Hydroxide (OH) (mg/L)	71830		
	mg/L	Carbonate (CO3) (mg/L)	00445		
	mg/L	Bicarbonate (HCO3) (mg/L)	00440		
500	mg/L+	Sulfate (SO4) (mg/L)	00945		0.5
500	mg/L+	Chloride (Cl) (mg/L)	00940		
45	mg/L	Nitrate (as NO3) (mg/L)	71850		2.0
10	mg/L	Nitrate (as N) (mg/L)	00618	2.3	0.4
2	mg/L	Fluoride (F) (Natural-Source) 0.12	00951		0.1
	Std.Units+	PH (Laboratory) (Std.Units)	00403		
1600	umho/cm+	Specific Conductance (E.C.) (umhos/cm)	00095		
1000	mg/L+	Total Filterable Residue@180C (TDS) (mg/L)	70300		
15	Units	Apparent Color (Unfiltered) (Units)	00081		
3	TON	Odor Threshold at 60 C (TON)	00086		1.0
5	NTU	Lab Turbidity (NTU)	82079		0.1
0.5	mg/L+	MBAS (mg/L)	38260		

\* 250-500-600 \*\* 0.6-1.7 \*\*\* 900-1600-2200 \*\*\*\* 500-1000-1500

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State Certification #1310

GENERAL MINERAL & PHYSICAL & INORGANIC ANALYSIS (9/99)

Date of Report: 18/08/15

Sample ID No. 28-7990

Laboratory

Signature Lab

Name: FAR WEST LABORATORIES

Director: *W. L. Cummins*

Name of Sampler: M. CUMMINS

Employed By: FAR WEST LABORATORIES

Date/Time Sample

Date/Time Sample

Date Analyses

Collected: 18/08/13/0852

Received @ Lab: 18/08/13/1040

Completed: 18/08/14 *PL*

System

System

Name: OAKDALE GOLF & COUNTRY CLUB (EH)

Number: 5000091

Name or Number of Sample Source: SOUTH WELL

\*\*\*\*\*  
\* User ID: 50C Station Number: 5000091-001 \*  
\* Date/Time of Sample: |18|08|13|0852| Laboratory Code: 4450 \*  
\* YY MM DD TTTT YY MM DD \*  
\* Date Analysis completed: |18|08|14| \*  
\* Submitted by: Phone #: \*  
\*\*\*\*\*

MCL	REPORTING	CHEMICAL	ENTRY	ANALYSES	DLR
	UNITS		#	RESULTS	
	mg/L	Total Hardness (as CaCO3) (mg/L)	00900		
	mg/L	Calcium (Ca) (mg/L)	00916		
	mg/L	Magnesium (Mg) (mg/L)	00927		
	mg/L	Sodium (NA) (mg/L)	00929		
	mg/L	Potassium (K) (mg/L)	00937		

| Total Cations & Total Anions M0.00 |

	mg/L	Total Alkalinity (AS CaCO3) (mg/L)	00410		
	mg/L	Hydroxide (OH) (mg/L)	71830		
	mg/L	Carbonate (CO3) (mg/L)	00445		
	mg/L	Bicarbonate (HCO3) (mg/L)	00440		
500	mg/L+	Sulfate (SO4) (mg/L)	00945		0.5
500	mg/L+	Chloride (Cl) (mg/L)	00940		
45	mg/L	Nitrate (as NO3) (mg/L)	71850		2.0
10	mg/L	Nitrate (as N) (mg/L)	00618	2.3	0.4
2	mg/L	Fluoride (F) (Natural-Source) 0.12	00951		0.1
	Std.Units+	PH (Laboratory) (Std.Units)	00403		
1600	umho/cm+	Specific Conductance (E.C.) (umhos/cm)	00095		
1000	mg/L+	Total Filterable Residue@180C(TDS) (mg/L)	70300		
15	Units	Apparent Color (Unfiltered) (Units)	00081		
3	TON	Odor Threshold at 60 C (TON)	00086		1.0
5	NTU	Lab Turbidity (NTU)	82079		0.1
0.5	mg/L+	MBAS (mg/L)	38260		

\* 250-500-600 \*\* 0.6-1.7 \*\*\* 900-1600-2200 \*\*\*\* 500-1000-1500

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State Certification #1310

GENERAL MINERAL & PHYSICAL & INORGANIC ANALYSIS (9/99)

Date of Report: 17/11/27  
Laboratory

Sample ID No. 27-4651

Name: FAR WEST LABORATORIES

Signature Lab

Director: *[Signature]*

Name of Sampler: F. MINTER

Employed By: FAR WEST LABORATORIES *PL*

Date/Time Sample

Date/Time Sample

Date Analyses

Collected: 17/11/22/1345

Received @ Lab: 17/11/22/1445

Completed: 17/11/22

System

System

Name: OAKDALE GOLF & COUNTRY CLUB (EH)

Number: 5000091

Name or Number of Sample Source: SOUTH WELL

\*\*\*\*\*  
\* User ID: 50C Station Number: 5000091-001 \*  
\* Date/Time of Sample: |17|11|22|1345| Laboratory Code: 4450 \*  
\* YY MM DD TTTT YY MM DD \*  
\* Date Analysis completed: |17|11|22| \*  
\* Submitted by: Phone #: \*  
\*\*\*\*\*

MCL	REPORTING	CHEMICAL	ENTRY	ANALYSES	DLR
	UNITS		#	RESULTS	
	mg/L	Total Hardness (as CaCO3) (mg/L)	00900		
	mg/L	Calcium (Ca) (mg/L)	00916		
	mg/L	Magnesium (Mg) (mg/L)	00927		
	mg/L	Sodium (NA) (mg/L)	00929		
	mg/L	Potassium (K) (mg/L)	00937		

Total Cations & Total Anions M0.00

	mg/L	Total Alkalinity (AS CaCO3) (mg/L)	00410		
	mg/L	Hydroxide (OH) (mg/L)	71830		
	mg/L	Carbonate (CO3) (mg/L)	00445		
	mg/L	Bicarbonate (HCO3) (mg/L)	00440		
*	mg/L+	Sulfate (SO4) (mg/L)	00945		.5
*	mg/L+	Chloride (Cl) (mg/L)	00940		
45	mg/L	Nitrate (as NO3) (mg/L)	71850		2.0
10	mg/L	Nitrate (as N) (mg/L)	00618	1.6	0.4
2	mg/L	Fluoride (F) (Natural-Source) 0.08	00951		.1
	Std.Units+	PH (Laboratory) (Std.Units)	00403		
***	umho/cm+	Specific Conductance (E.C.) (umhos/cm)	00095		
****	mg/L+	Total Filterable Residue@180C(TDS) (mg/L)	70300		
15	Units	Apparent Color (Unfiltered) (Units)	00081		
3	TON	Odor Threshold at 60 C (TON)	00086		1.
5	NTU	Lab Turbidity (NTU)	82079		
0.5	mg/L+	MBAS (mg/L)	38260		

\* 250-500-600 \*\* 0.6-1.7 \*\*\* 900-1600-2200 \*\*\*\* 500-1000-1500

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State Certification #1310

GENERAL MINERAL & PHYSICAL & INORGANIC ANALYSIS (9/99)

Date of Report: 17/01/09

Sample ID No. 27-0074

Laboratory

Signature Lab

Name: FAR WEST LABORATORIES

Director: *W. K. ...*

Name of Sampler: A. MARTINEZ

Employed By: FAR WEST LABORATORIES

Date/Time Sample

Date/Time Sample

Date Analyses

Collected: 17/01/05/1102

Received @ Lab: 17/01/05/1445

Completed: 17/01/06

System

System

Name: OAKDALE GOLF & COUNTRY CLUB (EH)

Number: 5000091

Name or Number of Sample Source: SOUTH WELL

\*\*\*\*\*  
\* User ID: 50C Station Number: 5000091-001 \*  
\* Date/Time of Sample: |17|01|05|1102| Laboratory Code: 4450 \*  
\* YY MM DD TTTT YY MM DD \*  
\* Date Analysis completed: |17|01|06| \*  
\* Submitted by: Phone #: \*  
\*\*\*\*\*

MCL	REPORTING	CHEMICAL	ENTRY	ANALYSES	DLR
	UNITS		#	RESULTS	
	mg/L	Total Hardness (as CaCO3) (mg/L)	00900		
	mg/L	Calcium (Ca) (mg/L)	00916		
	mg/L	Magnesium (Mg) (mg/L)	00927		
	mg/L	Sodium (NA) (mg/L)	00929		
	mg/L	Potassium (K) (mg/L)	00937		
Total Cations & Total Anions Meq/L Val					
	mg/L	Total Alkalinity (AS CaCO3) (mg/L)	00410		
	mg/L	Hydroxide (OH) (mg/L)	71830		
	mg/L	Carbonate (CO3) (mg/L)	00445		
	mg/L	Bicarbonate (HCO3) (mg/L)	00440		
*	mg/L+	Sulfate (SO4) (mg/L)	00945		.5
*	mg/L+	Chloride (Cl) (mg/L)	00940		
45	mg/L	Nitrate (as NO3) (mg/L)	71850		2.0
10	mg/L	Nitrate (as N) (mg/L)	00618	1.7	0.4
2	mg/L	Fluoride (F) (Natural-Source) 0.00	00951		.1
	Std.Units+	PH (Laboratory) (Std.Units)	00403		
***	umho/cm+	Specific Conductance (E.C.) (umhos/cm)	00095		
****	mg/L+	Total Filterable Residue@180C(TDS) (mg/L)	70300		
15	Units	Apparent Color (Unfiltered) (Units)	00081		
3	TON	Odor Threshold at 60 C (TON)	00086		1.
5	NTU	Lab Turbidity (NTU)	82079		
0.5	mg/L+	MBAS (mg/L)	38260		

\* 250-500-600 \*\* 0.6-1.7 \*\*\* 900-1600-2200 \*\*\*\* 500-1000-1500

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 State Certification #1310

GENERAL MINERAL & PHYSICAL & INORGANIC ANALYSIS (9/99)

Date of Report: 16/11/04

Sample ID No. 26-4199

Laboratory

Signature Lab

Name: FAR WEST LABORATORIES

Director:

Name of Sampler: A. MARTINEZ

Employed By: FAR WEST LABORATORIES

Date/Time Sample

Date/Time Sample

Date Analyses

Collected: 16/11/03/1024

Received @ Lab: 16/11/03/1515

Completed: 16/11/04

System

Name: OAKDALE GOLF & COUNTRY CLUB (EH)

System

Number: 5000091

Name or Number of Sample Source: SOUTH WELL

\*\*\*\*\*  
 \* User ID: 50C Station Number: 5000091-001 \*  
 \* Date/Time of Sample: |16|11|03|1024| Laboratory Code: 4450 \*  
 \* YY MM DD TTTT YY MM DD \*  
 \* Date Analysis completed: |16|11|04| \*  
 \* Submitted by: Phone #: \*  
 \*\*\*\*\*

MCL	REPORTING	CHEMICAL	ENTRY	ANALYSES	DLR
	UNITS		#	RESULTS	
	mg/L	Total Hardness (as CaCO3) (mg/L)	00900		
	mg/L	Calcium (Ca) (mg/L)	00916		
	mg/L	Magnesium (Mg) (mg/L)	00927		
	mg/L	Sodium (NA) (mg/L)	00929		
	mg/L	Potassium (K) (mg/L)	00937		
Total Cations & Total Anions M0.00					
	mg/L	Total Alkalinity (AS CaCO3) (mg/L)	00410		
	mg/L	Hydroxide (OH) (mg/L)	71830		
	mg/L	Carbonate (CO3) (mg/L)	00445		
	mg/L	Bicarbonate (HCO3) (mg/L)	00440		
*	mg/L+	Sulfate (SO4) (mg/L)	00945		.5
*	mg/L+	Chloride (Cl) (mg/L)	00940		
45	mg/L	Nitrate (as NO3) (mg/L)	71850		2.0
10	mg/L	Nitrate (as N) (mg/L)	00618	1.4	0.4
2	mg/L	Fluoride (F) (Natural-Source) 0.07	00951		.1
	Std.Units+	PH (Laboratory) (Std.Units)	00403		
***	umho/cm+	Specific Conductance (E.C.) (umhos/cm)	00095		
****	mg/L+	Total Filterable Residue@180C(TDS) (mg/L)	70300		
15	Units	Apparent Color (Unfiltered) (Units)	00081		
3	TON	Odor Threshold at 60 C (TON)	00086		1.
5	NTU	Lab Turbidity (NTU)	82079		
0.5	mg/L+	MBAS (mg/L)	38260		

\* 250-500-600 \*\* 0.6-1.7 \*\*\* 900-1600-2200 \*\*\*\* 500-1000-1500

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 State Certification #1310

GENERAL MINERAL & PHYSICAL & INORGANIC ANALYSIS (9/99)

Date of Report: 15/11/06

Sample ID No. 25-3939

Laboratory

Signature Lab

Name: FAR WEST LABORATORIES

Director: *[Signature]*

Name of Sampler: A. MARTINEZ

Employed By: FAR WEST LABORATORIES *PL*

Date/Time Sample

Date/Time Sample

Date Analyses

Collected: 15/11/03/1515

Received @ Lab: 15/11/03/1600

Completed: 15/11/04

System

System

Name: OAKDALE GOLF & COUNTRY CLUB (EH)

Number: 5000091

Name or Number of Sample Source: SOUTH WELL

\*\*\*\*\*  
 \* User ID: 50C Station Number: 5000091-001 \*  
 \* Date/Time of Sample: |15|11|03|1515| Laboratory Code: 4450 \*  
 \* YY MM DD TTTT YY MM DD \*  
 \* Date Analysis completed: |15|11|04| \*  
 \* Submitted by: Phone #: \*  
 \*\*\*\*\*

MCL	REPORTING UNITS	CHEMICAL	ENTRY #	ANALYSES RESULTS	DLR
	mg/L	Total Hardness (as CaCO3) (mg/L)	00900		
	mg/L	Calcium (Ca) (mg/L)	00916		
	mg/L	Magnesium (Mg) (mg/L)	00927		
	mg/L	Sodium (NA) (mg/L)	00929		
	mg/L	Potassium (K) (mg/L)	00937		

Total Cations / Anions Meq/L Value:

	mg/L	Total Alkalinity (AS CaCO3) (mg/L)	00410		
	mg/L	Hydroxide (OH) (mg/L)	71830		
	mg/L	Carbonate (CO3) (mg/L)	00445		
	mg/L	Bicarbonate (HCO3) (mg/L)	00440		
*	mg/L+	Sulfate (SO4) (mg/L)	00945		1.5
*	mg/L+	Chloride (Cl) (mg/L)	00940		
45	mg/L	Nitrate (as NO3) (mg/L)	71850	6.5	2.0
10	mg/L	Nitrate (as N) (mg/L)	00618	1.4	0.4
2	mg/L	Fluoride (F) (Natural-Source)	00951		.1
	Std.Units+	PH (Laboratory) (Std.Units)	00403		
***	umho/cm+	Specific Conductance (E.C.) (umhos/cm)	00095		
****	mg/L+	Total Filterable Residue@180C(TDS) (mg/L)	70300		
15	Units	Apparent Color (Unfiltered) (Units)	00081		
3	TON	Odor Threshold at 60 C (TON)	00086		1.
5	NTU	Lab Turbidity (NTU)	82079		
0.5	mg/L+	MBAS (mg/L)	38260		

\* 250-500-600 \*\* 0.6-1.7 \*\*\* 900-1600-2200 \*\*\*\* 500-1000-1500

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State Certification #1310

GENERAL MINERAL & PHYSICAL & INORGANIC ANALYSIS (9/99)

Date of Report: 14/11/13

Sample ID No.24-3908

Laboratory

Signature Lab

Name: FAR WEST LABORATORIES

Director: *Neil Cunn*

Name of Sampler: A. MARTINEZ

Employed By: FAR WEST LABORATORIES *pc*

Date/Time Sample

Date/Time Sample

Date Analyses

Collected: 14/11/10/1530

Received @ Lab: 14/11/10/1615

Completed: 14/11/12

System

Name: OAKDALE GOLF & COUNTRY CLUB (EH)

System

Number: 5000091

Name or Number of Sample Source: SOUTH WELL

\*\*\*\*\*  
\* User ID: 50C Station Number: 5000091-001 \*  
\* Date/Time of Sample: |14|11|10|1530| Laboratory Code: 4450 \*  
\* YY MM DD TTTT YY MM DD \*  
\* Submitted by: Date Analysis completed: |14|11|12| \*  
\* Phone #: \*  
\*\*\*\*\*

MCL	REPORTING	CHEMICAL	ENTRY	ANALYSES	DLR
	UNITS		#	RESULTS	
	mg/L	Total Hardness (as CaCO3) (mg/L)	00900		
	mg/L	Calcium (Ca) (mg/L)	00916		
	mg/L	Magnesium (Mg) (mg/L)	00927		
	mg/L	Sodium (NA) (mg/L)	00929		
	mg/L	Potassium (K) (mg/L)	00937		

| Total Cations Meq/L Value: 0.00 |

	mg/L	Total Alkalinity (AS CaCO3) (mg/L)	00410		
	mg/L	Hydroxide (OH) (mg/L)	71830		
	mg/L	Carbonate (CO3) (mg/L)	00445		
	mg/L	Bicarbonate (HCO3) (mg/L)	00440		
*	mg/L+	Sulfate (SO4) (mg/L)	00945		.5
*	mg/L+	Chloride (Cl) (mg/L)	00940		
45	mg/L	Nitrate (as NO3) (mg/L)	71850	3.3	2.0
2	mg/L	Fluoride (F) (Natural-Source)	00951	0.7	.1

| Total Anions Meq/L Value: 0.05 |

	Std.Units+	PH (Laboratory) (Std.Units)	00403		
***	umho/cm+	Specific Conductance (E.C.) (umhos/cm)	00095		
****	mg/L+	Total Filterable Residue@180C(TDS) (mg/L)	70300		
15	Units	Apparent Color (Unfiltered) (Units)	00081		
3	TON	Odor Threshold at 60 C (TON)	00086		1.
5	NTU	Lab Turbidity (NTU)	82079		
0.5	mg/L+	MBAS (mg/L)	38260		

\* 250-500-600 \*\* 0.6-1.7 \*\*\* 900-1600-2200 \*\*\*\* 500-1000-1500

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State Certification #1310

GENERAL MINERAL & PHYSICAL & INORGANIC ANALYSIS (9/99)

Date of Report: 14/02/04  
Laboratory Name: FAR WEST LABORATORIES  
Name of Sampler: A.MARTINEZ  
Date/Time Sample Collected: 14/01/31/1420  
Sample ID No. 24-0343  
Signature Lab Director: *W. L. ...*  
Employed By: FAR WEST LABORATORIES  
Date/Time Sample Received @ Lab: 14/01/31/1515  
Date Analyses Completed: 14/01/31

System Name: OAKDALE GOLF & COUNTRY CLUB (EH)  
Name or Number of Sample Source: SOUTH WELL  
System Number: 5000091  
User ID: 50C  
Date/Time of Sample: |14|01|31|1420|  
Station Number: 5000091-001  
Laboratory Code: 4450  
YY MM DD TTTT  
Date Analysis completed: |14|01|31|  
Submitted by: \_\_\_\_\_  
Phone #: \_\_\_\_\_

MCL	REPORTING UNITS	CHEMICAL	ENTRY #	ANALYSES RESULTS	DLR
	mg/L	Total Hardness (as CaCO3) (mg/L)	00900		
	mg/L	Calcium (Ca) (mg/L)	00916		
	mg/L	Magnesium (Mg) (mg/L)	00927		
	mg/L	Sodium (NA) (mg/L)	00929		
	mg/L	Potassium (K) (mg/L)	00937		
Total Cations Meq/L Value:					
	mg/L	Total Alkalinity (AS CaCO3) (mg/L)	00410		
	mg/L	Hydroxide (OH) (mg/L)	71830		
	mg/L	Carbonate (CO3) (mg/L)	00445		
	mg/L	Bicarbonate (HCO3) (mg/L)	00440		
*	mg/L+	Sulfate (SO4) (mg/L)	00945		.5
*	mg/L+	Chloride (Cl) (mg/L)	00940		
45	mg/L	Nitrate (as NO3) (mg/L)	71850	3.6	2.0
2	mg/L	Fluoride (F) (Natural-Source)	00951		.1
Total Anions Meq/L Value:					
	Std.Units+	PH (Laboratory) (Std.Units)	00403		
***	umho/cm+	Specific Conductance (E.C.) (umhos/cm)	00095		
****	mg/L+	Total Filterable Residue@180C(TDS) (mg/L)	70300		
15	Units	Apparent Color (Unfiltered) (Units)	00081		
3	TON	Odor Threshold at 60 C (TON)	00086		1.
5	NTU	Lab Turbidity (NTU)	82079		
0.5	mg/L+	MBAS (mg/L)	38260		

NO<sub>3</sub> 2.0  
0.8

\* 250-500-600 \*\* 0.6-1.7 \*\*\* 900-1600-2200 \*\*\*\* 500-1000-1500

**Exhibit C – Letter from Oakdale Golf and Country Club**



ESTABLISHED 1961

# *Oakdale Golf and Country Club*

243 N. STEARNS ROAD • OAKDALE, CALIFORNIA 95361 • (209) 847-2984 • FAX (209) 847-8631

August 22, 2017

Jeff Gravel  
Public Services Director  
City of Oakdale  
280 N. Third Ave.  
Oakdale, CA 95361

## **Subject: Oakdale Golf and Country Club – Out of Boundary Service Agreement Application**

Mr. Gravel,

Oakdale Golf and Country Club would like to request connection to the City's wastewater system as soon as possible because we have an accelerated failure of our septic system. Our deteriorating thirty-year-old septic and grease trap system is causing sewage to back up into our clubhouse creating a serious health and safety threat to our members, guests and employees.

The problem we have is that our grease trap and septic tanks are linked together so when we wash too many dishes, or have too many patrons using the restrooms, sewage backs up through the floor drains into areas where we have employees working. Our employees then must try to work in the sewage to get their work accomplished. Once we stop washing dishes, and our patrons go home, most of the sewage goes back down the drains but there is a residue left behind that must be cleaned. To compensate for our leach lines not releasing the liquid fast enough, we have had to pump our tanks before each of our big tournaments and events in the hope that we make it through the night. Even with the extra pumping, we still have sewage backing up.

As the timeline shows below, we are having to pump more and more frequently, especially over the past four months, which is a clear indication that our septic and grease trap system is failing fast.

- June 18, 2014 – pumped out system
- September 24, 2014 – pumped out system
- December 16, 2014 – pumped out system
- June 23, 2015 – pumped out system
- October 26, 2015 – pumped out the system and water jetted the lines
- November 19, 2015 – pumped out the system
- January 11, 2016 – pumped out the system
- June 23, 2016 – pumped out the system
- August 15, 2016 – pumped out the system
- November 7, 2016 – pumped out the system
- January 10, 2017 – pumped out the system



ESTABLISHED 1961

# Oakdale Golf and Country Club

243 N. STEARNS ROAD • OAKDALE, CALIFORNIA 95361 • (209) 847-2984 • FAX (209) 847-8631

- January 30, 2017 – pumped out the system
- April 24, 2017 – pumped out the system
- June 11, 2017 – pumped out the system
- June 19, 2017 – pumped out the system
- July 17, 2017 – water jetted and pumped out the system
- July 25, 2017 – water jetted and pumped out the system
- August 21, 2017 – pumped out the system

To go along with the additional pumping, we've also water jetted the system twice and made sure the D boxes are clear over the past month. That only slightly helped so we, and our pumping company, agree that it is evident that our leach lines are failing. (I've enclosed documents from our pumping company indicating the leach lines are bad.)

We have spoken to the county about replacing our septic system. Their staff said that county and state agencies were having more concerns about ground water contamination due to septic systems and that hooking up to city wastewater would be wise. We are also concerned since we pump water from a well that is used to irrigate our course. For those reasons, we are looking for another way to dispose of our wastewater that will not become another a health and safety concern in the future.

In summary, we believe the best solution, and best way to alleviate the health concerns on a permanent basis, would be to hook up to the City's wastewater system and we ask that you approve this out of boundary service agreement.

Sincerely,

Rick Schultz, PGA, CCM  
General Manager/COO

Cont. Lic. #731211  
 3319 S. Tegner Rd.  
 Turlock, CA 95380



Rick & Debby Borrelli & Sons  
 Bus. (209) 667-8010  
 Bus. (209) 538-8217

Septic Inspections • Certifications  
 Commercial • Residential • Backhoe Service

11626

NAME <u>Oakdale Country Club</u>		DATE <u>1/24/17</u>
ADDRESS		TITLE CO.
CITY <u>Oakdale</u>		ESCROW
PHONE		PO#

- CASH       CHARGE       MERCHANDISE RETURNED  
 C.O.D.       PAID OUT       PAID ON ACCOUNT

QTY	DESCRIPTION	PRICE	AMOUNT
1			
2	Pump 2400 gal		
3	of septic		
4	(Leach Lines Bad)		
5			
6	Water Jetting		
7	Leach Lines		
8			
9			
10			
11			
12			
13			
14			
RECEIVED BY		TOTAL	

THANK YOU

Cont. Lic. #731211  
 3319 S. Tegner Rd.  
 Turlock, CA 95380



Rick & Debby Borrelli & Sons  
 Bus. (209) 667-8010  
 Bus. (209) 538-8217

Septic Inspections • Certifications  
 Commercial • Residential • Backhoe Service

11403

NAME <i>Chocolate Creek</i>		DATE <i>7/17/11</i>
ADDRESS		TITLE CO.
CITY <i>Chocolate Cr.</i>		ESCROW
PHONE		PO#

- CASH       CHARGE       MERCHANDISE RETURNED  
 C.O.D.       PAID OUT       PAID ON ACCOUNT

QTY	DESCRIPTION	PRICE	AMOUNT
1			
2	Water Jet Leach lines for grease		200.00
3	<del>Septic Tank</del>		
4			
5	pump out septic Tank		325.00
6	leach line water level		
7	is high (going Bad)		
8			
9			
10			
11			
12			
13			
14			
RECEIVED BY <i>[Signature]</i>		TOTAL	

THANK YOU

WHEN REMOVED FROM POSTING  
MAIL TO:  
City of Oakdale  
Public Services Department  
455 S. Fifth Avenue  
Oakdale, CA 95361

FILED

2010 SEP 11 PM 3:08

STANISLAUS CO. CLERK-RECORDER

Alejandra Manzanilla



**NOTICE OF EXEMPTION**

**To:** State Clearinghouse  
P.O. Box 3044  
Sacramento, CA 95812

**From:** City of Oakdale  
455 S. Fifth Avenue  
Oakdale, CA 95361

County of Stanislaus  
Clerk Recorder's Office  
1021 I Street  
Modesto, CA 95354

**Subject:** NOTICE OF EXEMPTION in compliance with the California Environmental Quality Act

**Project Title:** Out of Boundary Service Request 2017-15, between City of Oakdale and Oakdale Golf and Country Club

**Location:** 243 N. Stearns Road, Oakdale, California 95361

**Description:** The proposed project consists of an Out of Boundary Service Agreement between the City of Oakdale and the Oakdale Golf and Country Club to allow for the City to provide domestic water and wastewater services to property owned by the Oakdale Golf and Country Club. The Oakdale Golf and Country Club consists of an eighteen (18) hole golf course, clubhouse and restaurant facilities, and is located immediately east of North Stearns Road.

An Out of Boundary Service Agreement (proposed project) is required as the Oakdale Golf and Country Club is located outside of the City limits and adopted Sphere of Influence.

Improvements to be installed as part of the proposed project include:

- Connect to existing wastewater line located at North Stearns Road and D Street; and,
- Connect to existing water line located on North Stearns Road.

**Applicant:** City of Oakdale Public Services Department

**City's Contact:** Mark Niskanen, Senior Planner

**Telephone:** (209) 845-3641

**Public Agency**  
**Approving Project:** City of Oakdale



CITY OF OAKDALE  
Public Services Department

---

EXEMPT STATUS:

- Categorical Exemption (Section 15301, Existing Facilities)
- Declared Emergency (Section 15269[a]; 21080[b] [3])
- Emergency Project (Section 15269[b] [c]; 21080[b] [4])
- Ministerial (Section 15268; 21080[b] [1])
- Statutory Exemption (Section 15061 [b-3])

Reasons why project is exempt:

City staff has reviewed the proposed project in accordance with CEQA Statutes and Guidelines, and has determined that the proposed project is exempt from further environmental review in accordance with Section 15301 (Existing Facilities) of the CEQA Guidelines. The installation of improvements necessary to connect the Oakdale Golf and Country Club to the City's water and wastewater system are minor, and will be located within existing City right-of-way (North Stearns Road). In addition, the water and wastewater demand generated by the Oakdale Golf Country Club represents a negligible expansion of these services when compared to the overall water and wastewater system owned and maintained by the City of Oakdale.

Signature:

Name & Title:

Project Approval Date:

Mark Niskanen, Contract Planner

September 4, 20108

**EXHIBIT C**

**LAFCO Policy 15**

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## **POLICY 15 - OUT-OF-BOUNDARY SERVICE CONTRACTS OR AGREEMENTS**

*(Amended January 24, 2018)*

Government Code Section 56133 (Cortese-Knox-Hertzberg Act) specifies that a city or special district must apply for and obtain LAFCO approval before providing new or extended services outside its jurisdictional boundaries. The Commission will consider this policy in addition to the provisions of Government Code Section 56133 when reviewing out-of-boundary service extension requests.

- A. Pursuant to Government Code Section 56133(b), the Commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries, but within its sphere of influence, in anticipation of a later change of organization. The Commission may authorize a city or district to provide new or extended services outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory in accordance with Government Code Section 56133(c).
- B. The Commission has determined that the Executive Officer shall have the authority to approve, or conditionally approve, proposals to extend services outside jurisdictional boundaries in cases where the service extension is proposed to remedy a clear health and safety concern for existing development.

In cases where the Executive Officer recommends denial of such a proposed service extension or where the proposal will facilitate new development, that proposal shall be placed on the next agenda for which notice can be provided so that it may be considered by the Commission. After the public hearing, the Commission may approve, conditionally approve, or deny the proposal.

- C. Considerations for Approving Agreements: Annexations to cities and special districts are generally preferred for providing public services; however, out-of-boundary service extensions can be an appropriate alternative. While each proposal must be decided on its own merits, the Commission may favorably consider such service extensions in the following situations:
  - 1. Services will be provided to a small portion of a larger parcel and annexation of the entire parcel would be inappropriate in terms of orderly boundaries, adopted land use plans, open space/greenbelt agreements or other relevant factors.
  - 2. Lack of contiguity makes annexation infeasible given current boundaries and the requested public service is justified based on adopted land use plans or other entitlements for use.
  - 3. Where public agencies have a formal agreement defining service areas provided LAFCO has formally recognized the boundaries of the area.
  - 4. Emergency or health related conditions mitigate against waiting for annexation.

5. Other circumstances which are consistent with the statutory purposes and the policies and standards of the Stanislaus LAFCO.
- D. Health or Safety Concerns: The requirements contained in Section 56133(c) of the Government Code will be followed in the review of proposals to serve territory with municipal services outside the local agency's sphere of influence. Service extensions outside a local agency's sphere of influence will not be approved unless there is a documented existing or impending threat to public health and safety, and the request meets one or more of the following criteria as outlined below:
1. The lack of the service being requested constitutes an existing or impending health and safety concern.
  2. The property is currently developed.
  3. No future expansion of service will be permitted without approval from the LAFCO.
- E. Agreements Consenting to Annex: Whenever the affected property may ultimately be annexed to the service agency, a standard condition for approval of an out-of-boundary service extension is recordation of an agreement by the landowner consenting to annex the territory, which agreement shall inure to future owners of the property.
1. The Commission may waive this requirement on a case-by-case basis upon concurrence of the agency proposing to provide out-of-boundary services.
  2. The Commission has determined, pursuant to Government Code Section 56133(b) that the Beard Industrial Area shall not be subject to the requirement for consent-to-annex agreements, based on the historical land use of the area and its location within the Sphere of Influence of the City of Modesto.
- F. Area-wide Approvals: The Commission has recognized and approved extensions of sewer and/or water services to specific unincorporated areas, including the Bret Harte Neighborhood, Robertson Road Neighborhood, and the Beard Industrial Area. New development in these delineated unincorporated areas is considered infill and does not require further Commission review for the provision of extended sewer and/or water services. The Commission may consider similar approvals for area-wide service extensions on a case-by-case basis when it determines each of the following exists:
1. There is substantial existing development in the area, consistent with adopted land use plans or entitlements.
  2. The area is currently located within the agency's sphere of influence.
  3. The agency is capable of providing extended services to the area without negatively impacting existing users.

4. The proposal meets one of the situations outlined in Section C of this Policy where extension of services is an appropriate alternative to annexation.
- G. In the case where a city or district has acquired the system of a private or mutual water company prior to January 1, 2001, those agencies shall be authorized to continue such service and provide additional connections within the certificated service area of the private or mutual water company, as defined by the Public Utilities Commission or other appropriate agency at the time of acquisition, without LAFCO review or approval as outlined in Government Code Section 56133. The continuation of service connections under this policy shall not be constrained by the sphere of influence of that local agency at that time. Proposals to extend service outside this previously defined certificated area would come under the provisions of Government Code Section 56133 for the review and approval by the Commission prior to the signing of a contract/agreement for the provision of the service.
- H. Exemptions: Consistent with Government Code Section 56133, this policy does not apply to:
1. Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.
  2. The transfer of non-potable or non-treated water;
  3. The provision of surplus water to agricultural lands and facilities, including but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.
  4. An extended service that a city or district was providing on or before January 1, 2001.
  5. A local publicly owned electrical utility, as defined by Section 9604 of the Public Utilities Code, providing electrical services that do not involve the acquisition, construction, or installation of electrical distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.
  6. A fire protection contract, as defined in Section 56134 and Policy 15a.

#### **POLICY 15a – FIRE PROTECTION CONTRACTS OR AGREEMENTS**

*(Adopted on January 24, 2018)*

Effective January 1, 2016, Government Code Section 56134 requires the Commission to review a fire protection contract or agreement that provides new or extended fire protection services outside an agency's jurisdictional boundaries and meets either of the following thresholds: (1) transfers service responsibility of more than 25 percent of an affected public

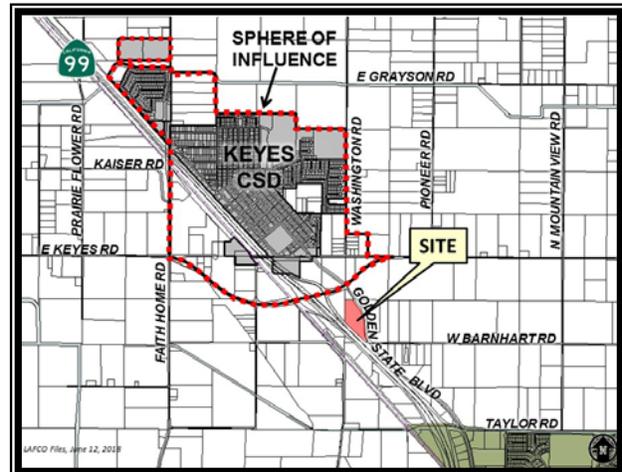
EXECUTIVE OFFICER'S AGENDA REPORT  
OCTOBER 24, 2018

STANISLAUS LOCAL AGENCY FORMATION COMMISSION  
OUT-OF-BOUNDARY SERVICE APPLICATION:  
INTERSTATE TRUCK CENTER (KEYES COMMUNITY SERVICES DISTRICT)

**APPLICANT:** Keyes Community Services District

**LOCATION:** The site is approximately 11.07 acres located at 5837 N. Golden State Boulevard east of Highway 99 in the Keyes area (APN 045-052-018). The site is just outside the District's Sphere of Influence (See Map, Exhibit A.)

**REQUEST:** Request to extend water service to Interstate Truck Center in order to address high levels of arsenic and nitrates in the existing water supply. (See Keyes CSD Out-of-Boundary Application, Exhibit B.)



### **BACKGROUND**

Government Code Section 56133 specifies that a city or special district must apply for and obtain LAFCO approval prior to providing new or extended services outside its jurisdictional boundaries. The section describes two situations where the Commission may authorize service extensions outside a city or district's jurisdictional boundaries:

- (1) For proposals *within* a city or district sphere of influence: in anticipation of a later change of organization.
- (2) For proposals *outside* a city or district sphere of influence: to respond to an existing or impending threat to the public health or safety of the residents of the affected territory.

Stanislaus LAFCO has adopted its own policy to assist in the Commission's review of out-of-boundary service requests, known as Policy 15 (see Exhibit C). Policy 15 reiterates the requirements of Government Code Section 56133 and also allows the Executive Officer, on behalf of the Commission, to approve service extensions in limited circumstances to respond to health and safety concerns for existing development. Although the current proposal is requested to address health and safety issues, because the project site is outside of the Sphere of Influence, staff has forwarded the proposal to the Commission for review.

The proposed out-of-boundary application was originally referred out as part of a three-property request with two additional projects included south of West Barnhart Road. The additional two properties are currently being reviewed for additional information needed from the County, the City of Turlock and Keyes CSD. Therefore, staff moved forward with the Interstate Truck Center property to avoid holding up the service request.

## **DISCUSSION**

State law and Commission policies generally prefer annexation in order to accommodate the extension of services. However, the Commission has recognized that there are situations when out-of-boundary service extensions may be an appropriate alternative consistent with Government Code Section 56133 and Commission Policy 15 as discussed below.

### **Consistency with Commission Policy 15**

The Commission's Policy 15(D) allows service extensions outside a local agency's sphere of influence only when there is a documented existing or impending health and safety concerns and the request meets one or more of the following criteria as outlined below:

- 1. The lack of the service being requested constitutes an existing or impending health and safety concern.*
- 2. The property is currently developed*
- 3. No future expansion of service will be permitted without approval from the LAFCO.*

The proposed project will provide water service to Interstate Truck Center (ITC) which is an existing truck sales and service facility. ITC is currently served by a private well.

According to the Stanislaus County Department of Environmental Resources (DER), the ITC water system has ongoing violations of the Maximum Contaminant Level (MCL) for arsenic, as specified in the Domestic Water Quality and Monitoring Regulation, Chapter 15, Title 22, California Code of Regulations. ITC has been issued a compliance order by DER (DER-16CO-001).

Therefore, because the proposed project will address health and safety concerns and will provide service to existing development, and because no further expansion will be allowed without prior LAFCO approval, staff believes that the proposed project is consistent with LAFCO Policy 15(D).

### **Environmental Review**

The Keyes Community Services District (CSD), determined under the California Environmental Quality Act (CEQA), that the project is exempt pursuant to Section 15303(d) of California Government Code for the purposes of CEQA for its Water Consolidation Project, which included the pipe line that the proposed project would connect to. LAFCO staff believes that the project is exempt pursuant to Section 15301(b) of Government Code which allows for minor connections to an existing water line such as proposed.

## **CONCLUSION**

Although annexations to cities or special districts are generally the preferred method for the provision of services, Commission policies also recognize that out-of-boundary service extensions can be an appropriate alternative. Staff believes the Keyes CSD's proposal to provide water service to Interstate Truck Center is consistent with Government Code Section 56133 and the Commission's Policy 15.

**ALTERNATIVES FOR LAFCO ACTION**

Following consideration of this report and any testimony or additional materials that are submitted at the public hearing for this proposal, the Commission may take one of the following actions:

- APPROVE the request, as submitted by the Keyes CSD.
- DENY the request without prejudice.
- CONTINUE the proposal to a future meeting for additional information.

**STAFF RECOMMENDATION**

Based on the discussion in this staff report and following any testimony or evidence presented at the meeting, staff recommends that the Commission approve the proposal as submitted by the Keyes CSD and adopt Resolution No. 2018-18, which finds the request to be consistent with Government Code Section 56133 and Commission Policy 15 and includes the following standard terms and conditions:

- A. This approval allows for the extension of water service to accommodate the existing truck sales and service operation at Interstate Truck Center only.
- B. The District shall not allow additional water service connections outside the District's boundaries and beyond the current request without first requesting and securing approval from LAFCO.

Respectfully submitted,

*Javier Camarena*

Javier Camarena  
Assistant Executive Officer

Attachments: Draft LAFCO Resolution 2018-18  
Exhibit A - Map  
Exhibit B - Out-of-Boundary Application  
Exhibit C - LAFCO Policy 15

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## **Draft LAFCO Resolution 2018-18**

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**STANISLAUS COUNTY LOCAL AGENCY  
FORMATION COMMISSION**

**RESOLUTION**

**DATE:** October 24, 2018

**NO.** 2018-18

**SUBJECT: OUT-OF-BOUNDARY APPLICATION FOR INTERSTATE TRUCK CENTER  
(KEYES COMMUNITY SERVICES DISTRICT)**

On the motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and approved by the following:

Ayes: Commissioners:  
Noes: Commissioners:  
Ineligible: Commissioners:  
Absent: Commissioners:  
Disqualified: Commissioners:

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

**WHEREAS**, the Keyes Community Services District (CSD) has submitted an out-of-boundary service application requesting to provide water service to a property located at 5837 N. Golden State Boulevard, east of Highway 99;

**WHEREAS**, the site is otherwise identified as Assessor’s Parcel Number 045-052-018;

**WHEREAS**, the property is located outside the current boundary and sphere of influence of the Keyes CSD;

**WHEREAS**, Government Code Section 56133 states that a District may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county;

**WHEREAS**, Government Code Section 56133 further states that the Commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the affected territory;

**WHEREAS**, the Commission has adopted specific policies (Policy 15) to guide its evaluation of out-of-boundary service applications, consistent with Government Code Section 56133;

**WHEREAS**, in accordance with adopted Commission Policy 15, the current proposal has been forwarded to the Commission as it is outside of the District’s Sphere of Influence;

**WHEREAS**, the Keyes CSD has indicated that it has the ability to serve the site with water service;

**WHEREAS**, the Keyes CSD, as Lead Agency, has determined that the project is exempt from the California Environmental Quality Act (CEQA) as it is considered minor and there is no reasonable

possibility that the extension of water service will have a significant effect on the environment;

**WHEREAS**, the Commission, as a Responsible Agency, has considered the District's environmental determination; and,

**WHEREAS**, the Commission has, in evaluating the proposal, considered the report submitted by the Executive Officer, consistency with California Government Code Section 56133 and the Commission's adopted policies, and all testimony and evidence presented at the meeting held on October 24, 2018.

**NOW, THEREFORE, BE IT RESOLVED** that this Commission:

1. Finds that the proposed extension of water service is consistent with the Commission's adopted policies and California Government Code Section 56133.
2. Certifies, as a Responsible Agency, that it has considered the environmental determination made by Keyes CSD, as Lead Agency pursuant to CEQA.
3. Authorizes the Keyes CSD to provide the requested water service, subject to the following terms and conditions:
  - A. This approval allows for the extension of water service to accommodate an existing truck sales and service operation only.
  - B. The District shall not allow additional water service connections outside the District's boundary and beyond truck sales and service operation without first requesting and securing approval from LAFCO.
4. Directs the Executive Officer to forward a copy of this resolution to the Keyes CSD.

**ATTEST:** \_\_\_\_\_  
Sara Lytle-Pinhey, Executive Officer

# **EXHIBIT A**

**Map**

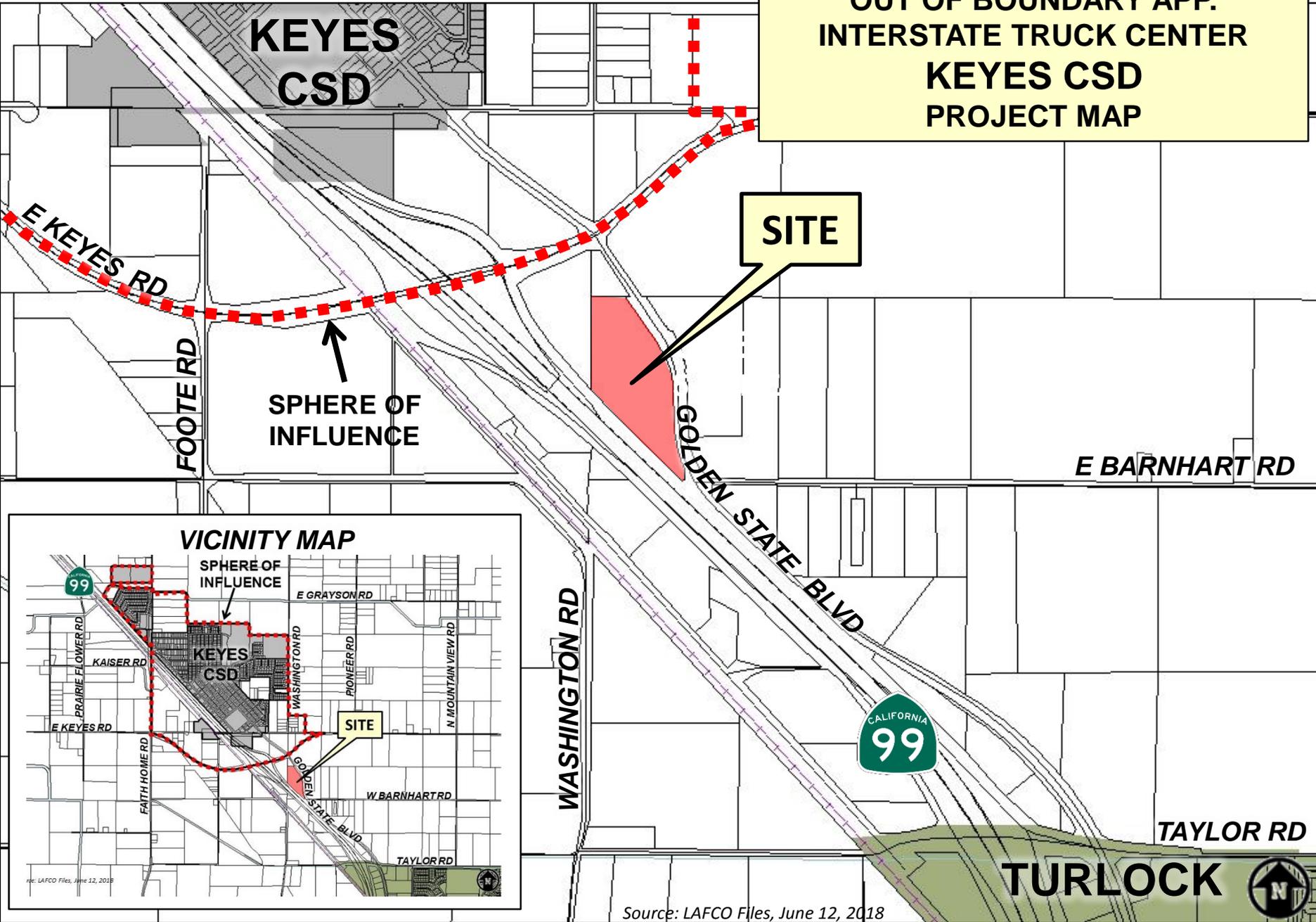
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**OUT OF BOUNDARY APP.  
INTERSTATE TRUCK CENTER  
KEYES CSD  
PROJECT MAP**

**KEYES  
CSD**

**SITE**

**SPHERE OF  
INFLUENCE**

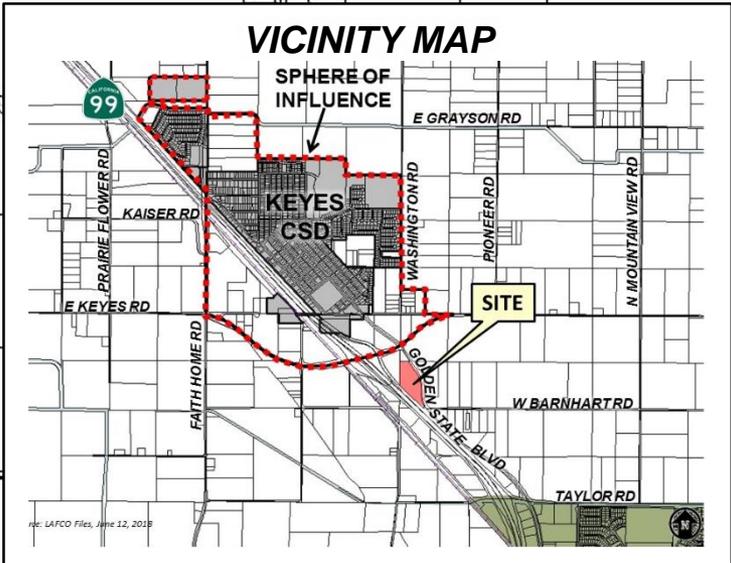


**VICINITY MAP**

**SPHERE OF  
INFLUENCE**

**KEYES  
CSD**

**SITE**



See LAFCO Files, June 12, 2018

Source: LAFCO Files, June 12, 2018

**TURLOCK**



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## **EXHIBIT B**

### **Keyes CSD Out-of-Boundary Application**

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# STANISLAUS LAFCO

Stanislaus Local Agency Formation Commission

1010 – 10 th Street, 3<sup>rd</sup> Floor ♦ Modesto, CA 95354

(209) 525-7660 ♦ FAX (209) 525-7643

www.stanislauslafco.org

## OUT OF BOUNDARY SERVICE APPLICATION

### AGENCY TO EXTEND SERVICE:

AGENCY NAME: Keyes Community Services District

CONTACT PERSON: Ernie Garza

ADDRESS: P.O. Box 6099, Keyes CA. 95328

PHONE: 209-668-8341 FAX: 209-668-8346 E-MAIL: egarza@keyescsd.org

### CONTRACTING PARTY:

NAME OF PROPERTY OWNER: See Attached

SITE ADDRESS: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

CONTRACT NUMBER/IDENTIFICATION: \_\_\_\_\_

ASSESSOR PARCEL NUMBER(S): \_\_\_\_\_

ACREAGE: \_\_\_\_\_

The following application questions are intended to obtain enough data about the proposal to allow the Commission and staff to adequately assess the service extension. By taking the time to fully respond to the questions below, you can reduce the processing time for this application. You may include any additional information that you believe is pertinent. Use additional sheets where necessary.

1. (a) List type of service(s) to be provided by this application:

Water Service  
\_\_\_\_\_  
\_\_\_\_\_

(b) Are any of the services identified in 1-a "new" services to be offered by the agency? If yes, please provide explanation.

These businesses have high arsenic levels in their wells and need to connect to our water lines for health and safety reasons

2. Please provide a description of the service agreement/contract. (Included in this description should be an explanation as to why a jurisdictional change is not possible at this time and if this extension is an emergency health and safety situation.)

See attached.

3. Is annexation of the territory by your agency anticipated at some future time? Please provide an explanation.

No. These businesses are not in our SOI.

4. Is the property to be served within the Agency's sphere of influence?

No.

5. If the service extension is for development purposes, please provide a complete description of the project to be served.

NA

6. Has an environmental determination been made for this proposal? If yes, provide a copy. If no, please provide an explanation.

These are existing developments, this does not apply.

7. Are there any land use entitlements involved in the project or contract? If yes, please provide a copy of the documentation for this entitlement. Please check those documents attached:

- Tentative Map and Conditions
- Subdivision Map or Parcel Map
- Specific Plan
- General Plan Amendment
- Rezoning
- Other - (provide explanation) \_\_\_\_\_

8. Please provide a map showing existing facilities and proposed extensions and a detailed description of how services are to be extended to the property. Your response should include, but not be limited to, an explanation of distance for connection to existing infrastructure to the site; and cost of improvements, how financing is to occur, and any special financing arrangement for later repayment.

*Krey's MSD will be running water line to Barnhart. After our construction is complete the existing businesses will start their plans to connect to the water line*

**CERTIFICATION**

I hereby certify that the statement furnished above and in the attached exhibits present the data and information required for this evaluation of service extension to the best of my ability, and that the facts, statement, and information presented herein are true and correct to the best of my knowledge and belief.

SIGNED:

*Ernie Garza*

PRINTED NAME:

*Ernie Garza*

DATED:

*5-31-18*

**REQUIRED ATTACHMENTS:**

1. Copy of the proposed agreement.
2. Map showing the property to be served, existing agency boundary, and the location of infrastructure to be extended.
3. Application fee.

Please forward the completed form and related information to:

Stanislaus Local Agency Formation Commission  
Attn: Executive Officer  
1010 10<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Modesto, CA 95354

KEYES COMMUNITY SERVICES DISTRICT  
5601 7<sup>TH</sup> STREET  
P O BOX 699  
KEYES, CA 95328

April 30, 2018

Interstate Truck Center LLC.  
5837 N. Golden State Blvd  
Turlock, CA 95382

Re: Will Serve Letter Request For Property at 5837 N. Golden State Blvd, Turlock,  
CA 95382  
APN 045-52-18 & 045-50-008

To whom it may concern:

The Keyes Community Services District is willing to provide the requested water service on the following conditions:

1. All water service line connections must be installed to District standards and according to plans approved by the District, at the expense of the owner.
2. All applicable District connection, facilities and inspection fees must be paid upon application for connections.
3. The owner must comply with all District rules and regulations.
4. This will-serve commitment will expire on April 30, 2019 unless construction has commenced by that date.
5. This Will Service Letter is valid only upon approval by Stanislaus County Local Agency Formation Commission (LAFCO).
6. This Will Serve Letter does not officially accept and approve the Layout as submitted with your application.

Sincerely,



Ernie Garza  
General Manager  
By: Michelle Harris



**DEPARTMENT OF ENVIRONMENTAL RESOURCES**

3800 Cornucopia Way, Suite C, Modesto, CA 95358-9494  
Phone: 209.525.6700 Fax: 209.525.6774

January 19, 2016

David Morganson  
5837 N Golden State Blvd  
Turlock, CA 95382

**RE: TRANSMITTAL OF COMPLIANCE ORDER NO. DER-16CO-001 FOR ARSENIC MAXIMUM CONTAMINANT LEVEL**

The Interstate Truck Center (Valley Peterbilt) Water System has ongoing violations of the Maximum Contamination Level (MCL) for arsenic, as specified in the Domestic Water Quality and Monitoring Regulation, Chapter 15, Title 22, California Code of Regulations. The Stanislaus County Department of Environmental Resources originally issued Compliance Order No. DER-10CO-006, in response to these violations, on September 21, 2010. A revised compliance order and water supply permit are being transmitted to the Interstate Truck Center (Valley Peterbilt) Water System under cover of this letter.

Please respond to each item of the Directives by the deadlines established in the compliance order. If you have any questions regarding this matter, please contact Rachel Riess at (209) 525-6720.

Sincerely,

Rachel Riess, REHS  
Registered Environmental Health Specialist

Enclosure (2)

cc: John Barnes, 5837 N Golden State Blvd, Turlock, CA 95382  
Jared Steele, 2705 Big Tree Ave, Denair, CA 95316

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**STANISLAUS COUNTY**  
**DEPARTMENT OF ENVIRONMENTAL RESOURCES**  
**DIVISION OF ENVIRONMENTAL HEALTH**

**TO:** Interstate Truck Center (Valley Peterbilt)  
5837/5843 N Golden State Boulevard  
Turlock CA 95382

**Attn:** David Morganson, President  
Valley Peterbilt

**COMPLIANCE ORDER NO. DER- 16CO-001**  
**FOR**  
**VIOLATION OF HEALTH AND SAFETY CODE SECTION 116555 (a) (1)**  
**AND THE PRIMARY DRINKING WATER STANDARD FOR ARSENIC**  
**WATER SYSTEM NO. 5000570**  
**Issued on January 19, 2016**

The Department of Environmental Resources (hereinafter "Department"), acting by and through its Division of Environmental Health (hereinafter "Division") and the Manager for the Division (hereinafter "Manager"), hereby issues this Compliance Order (hereinafter "Order") pursuant to Sections 116330 (f) and 116650 of the California Health and Safety Code (hereinafter "CHSC") to the Interstate Truck Center (Valley Peterbilt) Water System (hereinafter, "ITC Valley Peterbilt") for violation of the CHSC Section 116555(a)(1) and Title 22, California Code of Regulations (hereinafter "CCR"), Section 64431.

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**APPLICABLE AUTHORITIES**

**Section 116555(a) (1) of the CHSC states in relevant part:**

(a) Any person who owns a public water system shall ensure that the system does all of the following:

- (1) Complies with primary and secondary drinking water standards.

**Section 116655 of the CHSC states in relevant part:**

(a) Whenever the Department determines that any person has violated or is violating this chapter, or any permit, regulation, or standard issued or adopted pursuant to this chapter, the director may issue an Order doing any of the following:

- (1) Directing compliance forthwith.
- (2) Directing compliance in accordance with a time schedule set by the department.
- (3) Directing that appropriate preventive action be taken in the case of a threatened violation.

(b) An Order issued pursuant to this section may include, but shall not be limited to, any or all of the following requirements:

- (1) That the existing plant, works, or system be repaired, altered, or added to.
- (2) That purification or treatment works be installed.
- (3) That the source of the water supply be changed.
- (4) That no additional service connection be made to the system.
- (5) That the water supply, the plant, or the system be monitored.

1 (6) That a report on the condition and operation of the plant, works, system, or  
2 water supply be submitted to the Department.

3 **CCR, Title 22, Section 64431, states in relevant part:**

4 Public water systems shall comply with the primary MCLs in table 64431-A as  
5 specified in this article.

6 **Table 64431-A**  
7 **Maximum Contaminant Levels**  
8 **Inorganic Chemicals**

<i>Chemical</i>	<i>Maximum Contaminant Level, mg/L</i>
Aluminum	1.0
Antimony	0.006
Arsenic	0.010
Asbestos	7 MFL*
Barium	1.0
Beryllium	0.004
Cadmium	0.005
Chromium	0.05
Cyanide	0.15
Fluoride	2.0
Arsenic	0.010
Mercury	0.002
Nickel	0.10
Nitrate (as NO <sub>3</sub> )	45.0
Nitrate+Nitrite (sum as nitrogen)	10.0
Nitrite (as nitrogen)	1.0
Perchlorate	0.006
Selenium	0.05
Thallium	0.002

9 \* MFL=million fibers per liter; MCL for fibers exceeding 10 um in length.

10 **CCR Title 22, Section 64432, states in relevant part:**

11 (g) If the level of any inorganic chemical, except for nitrate, nitrite, nitrate plus  
12 nitrite, or perchlorate, exceeds the MCL, the water supplier shall do one of the  
13 following:

- 14 (1) Inform the Department within 48 hours and monitor quarterly beginning in  
15 the next quarter after the exceedance occurred; or

1 (2) Inform the Department within seven days from the receipt of the analysis  
2 and, as confirmation, collect one additional sample within 14 days from  
3 receipt of the analysis. If the average of the two samples collected exceeds  
4 the MCL, this information shall be reported to the Department within 48  
5 hours and the water supplier shall monitor quarterly beginning in the next  
6 quarter after the exceedance occurred.

7 (h) If the concentration of an inorganic chemical exceeds ten times the MCL, within  
8 48 hours of receipt of the result the water supplier shall notify the Department and  
9 resample as confirmation. The water supplier shall notify the Department of the  
10 result(s) of the confirmation sample(s) within 24 hours of receipt of the confirmation  
11 result(s).

12 (1) If the average concentration of the original and confirmation sample(s) is  
13 less than or equal to ten times the MCL, the water supplier shall monitor  
14 quarterly beginning in the quarter following the quarter in which the  
15 exceedance occurred.

16 (2) If the average concentration of the original and confirmation sample(s)  
17 exceeds ten times the MCL, the water supplier shall, if directed by the  
18 Department;

19 (A) Immediately discontinue use of the contaminated water source; and  
20 (B) Not return the source to service without written approval from the  
21 Department.

22

1 (i) Compliance with the MCLs shall be determined by a running annual average; if  
2 any one sample would cause the annual average to exceed the MCL, the system is  
3 immediately in violation. If a system takes more than one sample in a quarter, the  
4 average of all the results for that quarter shall be used when calculating the running  
5 annual average. If a system fails to complete four consecutive quarters of monitoring,  
6 the running annual average shall be based on an average of the available data.

7  
8 **CCR, Title 22, Section 64552 of the CHSC states in relevant part:**

9 (a) Each public water system applying for an initial domestic water system permit  
10 shall submit an application that includes:

11 (1) A map and description of the entire existing and propose service area;

12 (2) The population, and number and type of residential, commercial,  
13 agricultural, and industrial service connections, in the system's projected service area;

14 (3) Design drawings of proposed facilities drawn to scale, showing location, size  
15 and construction;

16 (4) As-built drawings of existing facilities, drawn to scale, showing location,  
17 size, construction materials, and year of installation of any water main or other facility  
18 that has already been constructed;

19 (5) Estimated MDD and PHD with the methods, assumptions and calculations  
20 used for the estimations;

21 (6) A source water assessment and description of each source of water  
22 proposed for use to meet the estimated MDD and information demonstrating that the

1 sources are adequate to do so, such as, but not limited to, well pump tests, the  
2 capacities of all pumping facilities;

3 (7) Information that demonstrates how the system proposes to reliably meet  
4 four hours of PHD using, but not limited to, available source capacity and distribution  
5 reservoirs.

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### STATEMENT OF FACTS

8 ITC Valley Peterbilt is operated under Water Supply Permit No. 2016-01-002, which  
9 was issued on January 19, 2016.

10

11 ITC Valley Peterbilt water system is located in Stanislaus County along Highway 99,  
12 approximately one mile north of the City of Turlock. ITC Valley Peterbilt's service  
13 area is approximately 11.07 acres in size.

14

15 ITC Valley Peterbilt's water system is classified as a non-transient non-community  
16 water system that serves the patrons and employees of the automobile facility.

17 According to the 2014 Annual Report to the Division and the 2009 Application, ITC  
18 Valley Peterbilt serves approximately 80 people through two service connections.

19 None (0) of these service connections are metered and two (2) are un-metered. The  
20 water system obtains its water supply from one active well located on ITC Valley

21 Peterbilt property.

22

1 The well discharges to a 40-gallon bladder pressure tank, prior to entering the  
2 domestic water system. Irrigation and fire suppression storage demands are provided  
3 by this well through backflow prevention devices.  
4

5 Title 22, CCR, Division 4, Chapter 15, Article 4, establishes primary drinking water  
6 standards and monitoring and reporting requirements for inorganic constituents. Non-  
7 transient non-community water systems must comply with the maximum contaminant  
8 level for arsenic of 0.010 mg/L, as established in Title 22 CCR Section 64431.  
9

10 Samples collected in August 2009 showed arsenic concentrations over the MCL in  
11 water produced by Well (PS Code 5000570-001) as noted in **Table 1** below.  
12 Therefore, in accordance with Section 64432 (g), ITC Valley Peterbilt was required to  
13 begin quarterly arsenic monitoring of its non-compliant well, unless it chose to submit  
14 an additional sample (which it did not do). Section 64432 (i) provides that compliance  
15 with the arsenic MCL is based on a "running annual average" (RAA) of the quarterly  
16 monitoring samples, computed each quarter. Furthermore, Section 64432 (i) states:  
17 "If any one sample would cause the annual average to exceed the MCL, the system is  
18 immediately in violation." A summary of the wells that produce water with arsenic  
19 above the MCL is presented in the table below. All results are as reported to the  
20 Division by the laboratory that performed the analysis.

21 **Table 1: Arsenic Monitoring Results (in mg/L)**

Sample Quarter	4th Quarter 2010	1st Quarter 2011	2nd Quarter 2011	3rd Quarter 2011	Running Annual Average
Well	0.011	0.011	0.014	0.008	0.011

22

1 One September 21, 2010, Compliance Order DER-10CO-006 was issued to ITC  
2 Valley Peterbilt water system for violation of the arsenic maximum contaminant level  
3 directing in part:

- 4 1. Commencing on September 21, 2010, provide quarterly public notification of  
5 ITC Valley Peterbilt's failure to meet the arsenic MCL during any calendar  
6 quarter that RAA exceeds the MCL.
- 7 2. Commencing on September 21, 2010, submit proof of each public notification  
8 provided.
- 9 3. Submit a report to the Division showing actions taken each quarter to bring  
10 the water system into compliance.
- 11 4. Submission of a Final Plan to the Division for review and approval by March  
12 31, 2012.
- 13 5. Completion of all improvements and/or additions outline in the Final Plan by  
14 March 31, 2015.

15 On January 19, 2016, an Office Hearing was conducted at the Division's Office  
16 located at 3800 Cornucopia Way, Suite C, Modesto, CA 95358, due to ITC Valley  
17 Peterbilt's failure to meet the Orders of Compliance Order DER-10CO-006.

#### 18 DETERMINATION

19 Based on the above Statement of Facts, the Division has determined that the water  
20 system has violated the California Health and Safety Code, Section 116555 and

1 Section 64431, Title 22, CCR, since the water produced by the well during the 3<sup>rd</sup>  
2 quarter of 2011 exceeded the arsenic MCL, as shown in **Table 1** above.

3  
4 Furthermore, the Division has determined that the water system has not met the  
5 Orders of Compliance Order DER-10CO-006 and is in violation of Section 116655.

6  
7 **DIRECTIVES**

8 The ITC Valley Peterbilt is hereby directed to take the following actions:

- 9 1. On or before January 28, 2016, submit a written response to the Division  
10 indicating its agreement to comply with the directives of this Order and with  
11 the Corrective Action Plan addressed herein.
- 12
- 13 2. Commencing on the date of service of this Order, provide quarterly public  
14 notification, in accordance with **Enclosure No. 1**, of the ITC Valley Peterbilt's  
15 failure to meet the arsenic MCL during any calendar quarter that RAA exceeds  
16 the MCL.
- 17
- 18 3. Commencing on the date of service of this Order, submit proof of each public  
19 notification conducted in compliance with **Directive No. 2**, herein above, within  
20 10 days following each such notification, using the form provided as **Enclosure**  
21 **No. 2**.
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4. Commencing on the date of service of this Order, collect quarterly samples for arsenic from the well, as required by Section 64432(g), and ensure that the analytical results are reported to the Division electronically by the analyzing laboratory no later than the 10<sup>th</sup> day following the month in which the analysis was completed.
  
5. By February 19, 2016, provide this Division with copies of the contract signed by ITC Valley Peterbilt to the professional civil engineer registered in the State of California with experience in water supply engineering selected to develop the required submission under Section 64552.
  
6. On or before April 22, 2016, provide to the Division in person at the Division's office located at 3800 Cornucopia Way, Suite C, Modesto, CA 95358, an Application for Water System Permit Amendment with plans, specifications, and a Corrective Action Plan. The Corrective Action Plan shall include a time schedule for completion of each of the phases of the project, such as construction, startup, and a date when the water system will be in compliance with the arsenic MCL.
  
7. Perform each and every element of the Division's approved Corrective Action Plan according to its time schedule.

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- 8. On or before July 10, 2016, and every three months thereafter, submit a report to the Division using the form provided as **Enclosure No. 3** (enclosed) showing actions taken to comply with the Corrective Action Plan during the previous three months.
  
- 9. On or before January 22, 2017, complete all of the improvements and/or additions outline in the ITC Valley Peterbilt's Corrective Action Plan.
  
- 10. On or before January 22, 2018, ITC Valley Peterbilt water system shall return to compliance with all requirements of the Safe Drinking Water Act.
  
- 11. Not later than ten (10) days following the date of compliance with the arsenic MCL, demonstrate to the Division that the water delivered by the ITC Valley Peterbilt complies with the arsenic MCL.
  
- 12. Notify the Division in writing no later than five (5) days prior to the deadline for performance of each **Directive**, set forth herein, if the ITC Valley Peterbilt anticipates it will not timely meet such performance deadline.

All submittals required by this Order shall be addressed to:

Rachel Riess, REHS  
Department of Environmental Resources  
3800 Cornucopia Way, Suite C  
Modesto, CA 95358

1 As used in this Order, the “date of issuance” shall be the date of this Order; and the  
2 “date of service” shall be the date this Order was served, personally or by certified  
3 mail, to the ITC Valley Peterbilt.

4  
5 The Division reserves the right to make modifications to this Order and/or to issue  
6 further Order(s) as it may deem necessary to protect public health and safety.  
7 Modifications may be issued as amendments to this Order and shall become effective  
8 upon issuance.

9  
10 Nothing in this Order relieves the ITC Valley Peterbilt of its obligation to meet the  
11 requirements of the California SDWA, or any regulation, standard, permit or Order  
12 issued thereunder.

### 13 PARTIES BOUND

14 This Order shall apply to and be binding upon the ITC Valley Peterbilt, its owners,  
15 shareholders, officers, directors, agents, employees, contractors, successors, and  
16 assignees.

### 17 SEVERABILITY

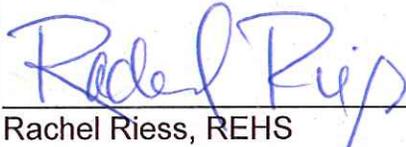
18 The Directives of this Order are severable, and the ITC Valley Peterbilt shall comply  
19 with each and every provision hereof, notwithstanding the effectiveness of any other  
20 provision.

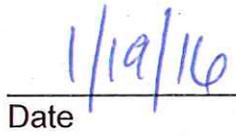
### 21 FURTHER ENFORCEMENT ACTION

22 The California SDWA authorizes the Department to: issue a Citation with assessment  
23 of administrative penalties to a public water system for violation or continued violation

1 of the requirements of the California SDWA or any regulation, permit, standard,  
2 Citation, or Order issued or adopted thereunder including, but not limited to, failure to  
3 correct a violation identified in a Citation or Compliance Order. The California SDWA  
4 also authorizes the Department to take action to suspend or revoke a permit that has  
5 been issued to a public water system if the public water system has violated  
6 applicable law or regulations or has failed to comply with an Order of the Department;  
7 and to petition the superior court to take various enforcement measures against a  
8 public water system that has failed to comply with an Order of the Department. The  
9 Board does not waive any further enforcement action by issuance of this Order.

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Rachel Riess, REHS  
Senior Environmental Health Specialist  
Division of Environmental Health  
Department of Environmental Resources  
Stanislaus County

Date

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Certified Mail No. 7014 3490 0001 6851 3550

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Enclosures: (1) Public Notification Template w/ Instructions  
(2) Proof of Public Notification Form  
(3) Quarterly Progress Report

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER**

Este informe contiene información muy importante sobre su agua potable.  
Tradúzcalo o hable con alguien que lo entienda bien.

**[Insert System Name] Has levels of Arsenic  
Above Drinking Water Standards**

Our water system OR Water produced by Well \_\_\_\_\_ of our water system recently failed a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

**Option 1:** We routinely monitor for the presence of drinking water contaminants. Testing results we received on [Insert date(s) or month year,] show that our system exceeds the standard, or maximum contaminant level (MCL), for Arsenic. The standard for Arsenic is 0.010 mg/L OR 10 ug/L. The average level of Arsenic over the last year was \_\_\_\_\_mg/L OR ug/L. Compliance with the arsenic maximum contaminant level (MCL) is based on the average concentration of four consecutive quarterly samples (or an annual average) for each well, unless fewer samples would cause the running annual average to be exceeded.

**Option 2:** We routinely monitor for the presence of drinking water contaminants. Compliance with the Arsenic maximum contaminant level (MCL) is based on the average concentration of four consecutive quarterly samples (or an annual average) for each well. Testing results from Wells Number 9, 10 and 11 collected over the last four quarters (or year) show that our system exceeds the Arsenic MCL of 10 micrograms per liter (ug/L). The average Arsenic concentrations from these well(s) ranged from \_\_\_\_\_ug/L to \_\_\_\_\_ug/L. Compliance with the arsenic maximum contaminant level (MCL) is based on the average concentration of four consecutive quarterly samples (or an annual average) for each well, unless fewer samples would cause the running annual average to be exceeded.

**What should I do?**

- **You do not need to use an alternative (e.g. , bottled) water supply.** However, if you have specific health concerns, consult your doctor.

**What does this mean?**

This is not an immediate risk. If it had been, you would have been notified immediately. However, *some people who drink water containing arsenic in excess of the MCL over many years may experience skin damage or circulatory system problems, and may have an increased risk of getting cancer.*

**What happened? What was done?**

[Describe corrective action.] \_\_\_\_\_

We anticipate resolving the problem within [estimated time frame].

For more information, please contact [insert name of contact] at [insert phone number] or at the following mailing address: [insert business/ mailing address].

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you in compliance with the California Domestic Water Quality and Monitoring Regulations as a means of keeping the public informed.

Dated: \_\_\_\_\_



DEPARTMENT OF ENVIRONMENTAL RESOURCES

3800 Cornucopia Way, Suite C, Modesto, CA 95358-9494
Phone: 209.525.6700 Fax: 209.525.6774

Drinking Water Notification to Consumers
PROOF OF NOTIFICATION

Name of System: \_\_\_\_\_

Please explain what caused the problem if determined and what steps have been taken to correct it.

\_\_\_\_\_

Consumers Notified \_\_\_\_\_ Yes \_\_\_\_\_ No (if no explain)

\_\_\_\_\_

Date of Notification: \_\_\_\_\_

On the date of notification set forth above, I served the above referenced document(s) on the consumers by:

\_\_\_\_\_ Sending a copy through the U.S. Mail, first class, postage prepaid, addressed to each of the resident(s) at the place where the property is situated, pursuant to the California Civil Code.

\_\_\_\_\_ Newspaper (if the problem has been corrected).

\_\_\_\_\_ Personally hand-delivering a copy to each of the consumers.

\_\_\_\_\_ Posting on a public bulletin board that will be seen by each of the consumers (for small non-community water systems with permission from the Environmental Resources Department)

\_\_\_\_\_ Other Approved Method: \_\_\_\_\_

\_\_\_\_\_

I hereby declare the foregoing to be true and correct.

Dated: \_\_\_\_\_

Signature of Person Serving Notice

Notice: Complete this Proof of Notification and return it, along with a copy of the water user notification, to the Department of Environmental Resources, 3800 Cornucopia Way Suite C, Modesto, CA 95358, within 7 Days after notifying water users.

# Quarterly Progress Report

Water System:	Water System No.:
Compliance Order No.:	Violation:
Calendar Quarter:	Date Prepared:

This form should be prepared and signed by Water System personnel with appropriate authority to implement the directives of the Compliance Order and the Corrective Action Plan. Please attach additional sheets as necessary. The quarterly progress report must be submitted by the 10th day of each subsequent quarter, to the Division of Drinking Water, \_\_\_\_\_ District Office.

## Summary of Compliance Plan:

## Tasks completed in the reporting quarter:

## Tasks remaining to complete:

Anticipate compliance date:

Name

Signature

Title

Date

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**EXHIBIT C**

**LAFCO Policy 15**

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**POLICY 15 - OUT-OF-BOUNDARY SERVICE CONTRACTS OR AGREEMENTS**

*(Amended January 24, 2018)*

Government Code Section 56133 (Cortese-Knox-Hertzberg Act) specifies that a city or special district must apply for and obtain LAFCO approval before providing new or extended services outside its jurisdictional boundaries. The Commission will consider this policy in addition to the provisions of Government Code Section 56133 when reviewing out-of-boundary service extension requests.

- A. Pursuant to Government Code Section 56133(b), the Commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries, but within its sphere of influence, in anticipation of a later change of organization. The Commission may authorize a city or district to provide new or extended services outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory in accordance with Government Code Section 56133(c).
- B. The Commission has determined that the Executive Officer shall have the authority to approve, or conditionally approve, proposals to extend services outside jurisdictional boundaries in cases where the service extension is proposed to remedy a clear health and safety concern for existing development.

In cases where the Executive Officer recommends denial of such a proposed service extension or where the proposal will facilitate new development, that proposal shall be placed on the next agenda for which notice can be provided so that it may be considered by the Commission. After the public hearing, the Commission may approve, conditionally approve, or deny the proposal.

- C. Considerations for Approving Agreements: Annexations to cities and special districts are generally preferred for providing public services; however, out-of-boundary service extensions can be an appropriate alternative. While each proposal must be decided on its own merits, the Commission may favorably consider such service extensions in the following situations:
  - 1. Services will be provided to a small portion of a larger parcel and annexation of the entire parcel would be inappropriate in terms of orderly boundaries, adopted land use plans, open space/greenbelt agreements or other relevant factors.
  - 2. Lack of contiguity makes annexation infeasible given current boundaries and the requested public service is justified based on adopted land use plans or other entitlements for use.
  - 3. Where public agencies have a formal agreement defining service areas provided LAFCO has formally recognized the boundaries of the area.
  - 4. Emergency or health related conditions mitigate against waiting for annexation.

5. Other circumstances which are consistent with the statutory purposes and the policies and standards of the Stanislaus LAFCO.
- D. Health or Safety Concerns: The requirements contained in Section 56133(c) of the Government Code will be followed in the review of proposals to serve territory with municipal services outside the local agency's sphere of influence. Service extensions outside a local agency's sphere of influence will not be approved unless there is a documented existing or impending threat to public health and safety, and the request meets one or more of the following criteria as outlined below:
1. The lack of the service being requested constitutes an existing or impending health and safety concern.
  2. The property is currently developed.
  3. No future expansion of service will be permitted without approval from the LAFCO.
- E. Agreements Consenting to Annex: Whenever the affected property may ultimately be annexed to the service agency, a standard condition for approval of an out-of-boundary service extension is recordation of an agreement by the landowner consenting to annex the territory, which agreement shall inure to future owners of the property.
1. The Commission may waive this requirement on a case-by-case basis upon concurrence of the agency proposing to provide out-of-boundary services.
  2. The Commission has determined, pursuant to Government Code Section 56133(b) that the Beard Industrial Area shall not be subject to the requirement for consent-to-annex agreements, based on the historical land use of the area and its location within the Sphere of Influence of the City of Modesto.
- F. Area-wide Approvals: The Commission has recognized and approved extensions of sewer and/or water services to specific unincorporated areas, including the Bret Harte Neighborhood, Robertson Road Neighborhood, and the Beard Industrial Area. New development in these delineated unincorporated areas is considered infill and does not require further Commission review for the provision of extended sewer and/or water services. The Commission may consider similar approvals for area-wide service extensions on a case-by-case basis when it determines each of the following exists:
1. There is substantial existing development in the area, consistent with adopted land use plans or entitlements.
  2. The area is currently located within the agency's sphere of influence.
  3. The agency is capable of providing extended services to the area without negatively impacting existing users.

4. The proposal meets one of the situations outlined in Section C of this Policy where extension of services is an appropriate alternative to annexation.
- G. In the case where a city or district has acquired the system of a private or mutual water company prior to January 1, 2001, those agencies shall be authorized to continue such service and provide additional connections within the certificated service area of the private or mutual water company, as defined by the Public Utilities Commission or other appropriate agency at the time of acquisition, without LAFCO review or approval as outlined in Government Code Section 56133. The continuation of service connections under this policy shall not be constrained by the sphere of influence of that local agency at that time. Proposals to extend service outside this previously defined certificated area would come under the provisions of Government Code Section 56133 for the review and approval by the Commission prior to the signing of a contract/agreement for the provision of the service.
- H. Exemptions: Consistent with Government Code Section 56133, this policy does not apply to:
1. Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.
  2. The transfer of non-potable or non-treated water;
  3. The provision of surplus water to agricultural lands and facilities, including but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.
  4. An extended service that a city or district was providing on or before January 1, 2001.
  5. A local publicly owned electrical utility, as defined by Section 9604 of the Public Utilities Code, providing electrical services that do not involve the acquisition, construction, or installation of electrical distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.
  6. A fire protection contract, as defined in Section 56134 and Policy 15a.

**POLICY 15a – FIRE PROTECTION CONTRACTS OR AGREEMENTS**

*(Adopted on January 24, 2018)*

Effective January 1, 2016, Government Code Section 56134 requires the Commission to review a fire protection contract or agreement that provides new or extended fire protection services outside an agency's jurisdictional boundaries and meets either of the following thresholds: (1) transfers service responsibility of more than 25 percent of an affected public

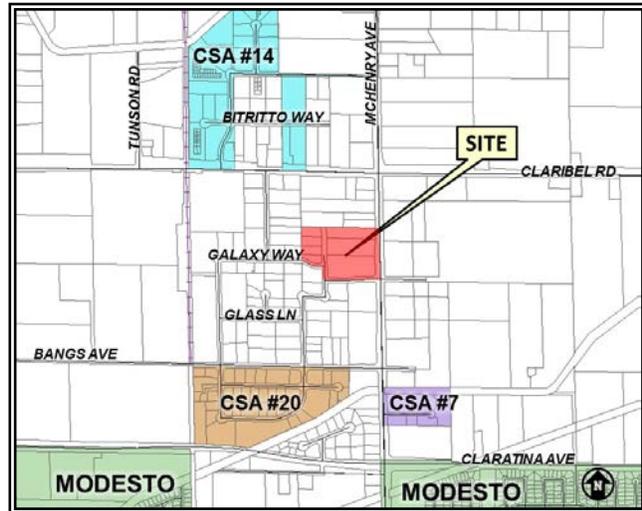
**EXECUTIVE OFFICER'S AGENDA REPORT  
OCTOBER 24, 2018**

**LAFCO APPLICATION NO. 2018-06 & SOI MODIFICATION NO. 2018-06  
BMW, KIA & VALLEY LEXUS  
CHANGE OF ORGANIZATION TO  
COUNTY SERVICE AREA (CSA) NO. 20 (SUMMIT CORPORATE CENTER)**

**PROPOSAL**

This is a request to modify the Sphere of Influence and annex approximately 16.41 acres to County Service Area (CSA) No. 20 (Summit Corporate Center).

1. **Applicant:** Stanislaus County, through a Resolution of Application by the Board of Supervisors.
2. **Location:** The proposed annexation consists of seven parcels on the north side of Galaxy Way and west side of McHenry Avenue in the north Modesto area, outside of the City's sphere of influence. (See Map Inset)
3. **Parcels Involved and Acreage:** There are seven whole assessor's parcels involved and adjacent right-of-way, totaling 16.41 acres (APNs 046-010-036 through 040, 046-011-073 and 046-011-075).
4. **Reason for Request:** The proposed annexation to County Service Area (CSA) No. 20 is intended to fulfill the County's conditions of approval requiring that a funding mechanism be established for extended County services offered by the CSA. Services include storm drainage and related maintenance and operations.



**DISCUSSION**

County Service Areas are districts formed to provide extended levels of service to unincorporated areas, and the governing board is the Board of Supervisors. CSA No. 20 was originally formed in 2003 to provide operation and maintenance of storm drainage for an industrial subdivision in an unincorporated area just north of the City of Modesto.

In April of 2007, the Stanislaus County Board of Supervisors approved Rezone Application No. 2004-11 and Parcel Map Application No. 2004-30 for Valley Lexus which allowed a new automobile dealership with additional commercial uses and subdivided the property into four parcels.

In May of 2016, the Stanislaus County Board of Supervisors approved Rezone and Parcel Map Application No. PLN2015-0027 for Valley BMW-KIA which allowed for the development of two automobile dealerships and related uses and subdivided the property into five parcels, although only four of the parcels are included in this request.

On September 18, 2018, the Stanislaus County Board of Supervisors adopted a resolution requesting that the Commission consider approving the annexation of the Valley Lexus and Valley BMW-KIA projects to CSA No. 20 (attached as Exhibit "C")

Annexation, if approved, also requires expansion of CSA No. 20's Sphere of Influence to be coterminous with the District boundaries, consistent with Commission policies.

### **SPHERE OF INFLUENCE MODIFICATION**

When a County Service Area is formed, the sphere of influence established for the CSA is typically coterminous with its boundaries. However, where appropriate, expansion of an existing CSA and its sphere of influence is preferred rather than the formation of a new CSA.

Pursuant to LAFCO Policies, a minor amendment to the sphere of influence of an agency may be processed and acted upon by the Commission without triggering a new or revised Municipal Service Review (MSR) where a previous MSR has been conducted. The Commission recently adopted a MSR for all of the CSAs in the County on February 24, 2016. Therefore, consistent with Commission policies, the proposal is being processed as a minor sphere amendment with no new Municipal Service Review required.

#### **Sphere of Influence Determinations**

Government Code Section 56425 gives purpose to the determination of a sphere of influence by charging the Commission with the responsibility of "planning and shaping the logical and orderly development of local governmental agencies." In approving a sphere of influence amendment, the Commission is required to make written determinations regarding the following factors:

1. *The present and planned land uses in the area, including agriculture and open-space lands.*

The County retains the responsibility for land use decisions within the County Service Area (CSA) boundaries and sphere of influence. The present land uses in the area include automobile sales, commercial and related uses which are consistent with the planned land uses contemplated under the County General Plan and Zoning Ordinance.

2. *The present and probable need for public facilities and services in the area.*

When the County approves development within an unincorporated area, it may require annexation to or formation of a County Service Area in order to provide extended services necessary to serve the land uses within the development boundaries. The present and probable need for public facilities and services in the area has been considered, as reflected in County-approved Engineer's Report for CSA No. 20 (included in Exhibit "C"). The extended services to be provided by CSA No. 20 are storm drain operation and maintenance to support the commercial development.

3. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

The project developers will be required to install the necessary storm drainage facilities to serve the development. Stanislaus County will maintain and operate these facilities with the funding provided through the CSA.

Only those property owners who benefit from the extended services provided by the CSA pay for them, which are funded through an assessment levied on parcels within the CSA boundaries. Based on the information provided by the County, it can be determined that, County Service Area No. 20 will have adequate controls and funding streams to provide the appropriate level of extended County services in order to serve the existing and future properties within the boundaries of the CSA.

4. *The existence of any social or economic community of interest in the area if the commission determines that they are relevant to the agency.*

There are no known social or economic communities of interest within the proposed Sphere of Influence.

5. *The present and probable need for sewer, municipal and industrial water, or structural fire protection of any disadvantaged unincorporated communities within the existing sphere of influence.*

There are no disadvantaged unincorporated communities in the area. The properties are currently served with water from the City of Modesto and utilize private on-site septic systems. Salida Fire Protection District provides structural fire protection services to the project site and will continue to do so should the annexation be approved.

## **FACTORS**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires several factors to be considered by a LAFCO when evaluating a proposal. Factors to be considered in the review of a proposal shall include, but not be limited to the following (Government Code Sections 56668 and 56668.3):

- a. Population and Land Use. The properties are considered to be uninhabited by State law, as they contain less than 12 registered voters. They are zoned for automobile sales and related commercial uses, consistent with the surrounding area.
- b. Governmental Services and Controls: County Service Area (CSA) No. 20 will provide storm drain operation and maintenance services to the annexed territory. Upon annexation, the territory will be subject to the approved formula for calculation and levy of annual assessments to pay for services provided by CSA No. 20.
- c. Effect of Proposal: Annexation of the territory included in the proposal will be subject to the approved formula for calculation and levy of annual assessments to pay for services provided within CSA No. 20. Adopted Commission policies prefer annexation to an existing district rather than the formation of a new district.
- d. Conformity with Plans: The proposal is consistent with adopted Commission policies to encourage efficient and effective delivery of government services and Commission policies for providing planned, orderly and efficient patterns of urban development.

- e. Impact on Agricultural Lands: The proposal would not result in the loss of agricultural land, as it currently zoned for automobile sales and related uses. The sites are considered infill development, surrounded by similar commercial type uses.
- f. Definiteness of Boundaries: The proposed boundary includes eight whole Tax Assessor parcels and adjacent road right of way, consistent with adopted Commission policies.
- g. Regional Transportation Plan: The proposal is infill in nature and does not appear to conflict with the County's Regional Transportation Plan.
- h. Consistency with General Plan(s): The territory is within an area that is planned and has historically been used as a corridor of auto sales establishments for the County. The development associated with the annexation request is compatible with surrounding area land uses, and the County's General Plan and Zoning Ordinance.
- i. Conformance with Spheres of Influence: Approval of this proposal includes a simultaneous amendment to the Sphere of Influence for CSA No. 20, to be coterminous with the annexation area. The proposed territory is also within boundaries and Spheres of Influence of the Salida Fire Protection District, Eastside Mosquito Abatement, and Modesto Irrigation District.
- j. Comments from Affected Agencies and Jurisdictions: All affected agencies and jurisdictions have been notified pursuant to State law requirements and adopted Commission policies. To date, no comments have been received regarding this proposal.
- k. Ability to Serve Proposed Area: The services provided by the proposed CSA will be funded by existing and future landowners of the parcels within the territory. The CSA is a dependent district, with the Stanislaus County Board of Supervisors serving as the district's governing body. Operations and maintenance of the CSA will be provided by the County Public Works Department.
- l. Water Supplies: The properties are currently served by the City of Modesto for domestic water through an out of boundary services agreement.
- m. Regional Housing Needs: The territory will be developed with automobile dealerships and accessory buildings associated with the dealerships, along with future related development compatible with the area. The project does not propose any residential uses and will not contribute to the County's overall Regional Housing Needs Assessment, as the proposal is considered infill development in an existing commercial area.
- n. Landowner or Resident Comments: Pursuant to State law, a public hearing notice was provided for affected landowners and residents in the area. The proposal has 100% consent from the property owners. No information or comments, other than what was provided in the application has been submitted.
- o. Other Land Use Information: There is no other land use information related to this project.

- p. Environmental Justice: As defined in Government Code §56668, environmental justice means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. Staff has determined that approval of the proposal would not result in the unfair treatment of any person based on race, culture or income with respect to the provision of services within the proposal area.

### **ENVIRONMENTAL REVIEW**

The CSA will serve the Valley Lexus and Valley BMW-Kia Developments and three additional parcels that will be utilized for future auto related uses similar with light industrial practices. As part of its approval, Stanislaus County adopted a Negative Declaration for the Valley Lexus project and a Mitigated Negative Declaration for Valley BMW-Kia pursuant to the California Environmental Quality Act (CEQA).

Annexation of the subject properties to CSA No. 20 is considered exempt under Section 15061(b)(3) of the CEQA Guidelines, as this proposal does not have the potential for causing a significant effect on the environment. "Significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the *physical conditions* within the area affected by the proposal.

Further, an economic or social change by itself shall not be considered a significant effect on the environment (CEQA Guidelines Section 15382). Since the annexation to CSA No. 20 is to provide funding for the maintenance of various facilities and does not affect the physical conditions within the area, there is no potential for causing a significant effect on the environment.

### **WAIVER OF PROTEST PROCEEDINGS**

The Commission's approval of a change of organization is typically proceeded by a protest hearing, where property owners and landowners are given the opportunity to protest the decision.

Pursuant to Government Code Section 56662(d), the Commission may waive protest proceedings entirely when the following criteria are met:

1. The territory is uninhabited (having less than 12 registered voters).
2. All the owners of the land within the affected territory have given their written consent.
3. A subject agency has not submitted written opposition to the waiver of protest proceedings.

As the above criteria have been met, the Commission may waive the protest proceedings in their entirety.

**ALTERNATIVES FOR LAFCO ACTION**

After consideration of this report and any testimony or additional materials that are submitted, the Commission may consider selecting one of the following options:

- Option 1:** Approve the proposal, as submitted.
- Option 2:** Deny the proposal, without prejudice.
- Option 3:** Continue the request to a future meeting (maximum 70 days).

**RECOMMENDED ACTION**

**Approve Option 1.** Based on the information and discussion contained in this staff report, and the evidence presented, it is recommended that the Commission adopt the attached Resolution No. 2018-19 approving the proposal as submitted.

Respectfully submitted,

*Javier Camarena*

Javier Camarena  
Assistant Executive Officer

Attachments: Exhibit A: Draft LAFCO Resolution No. 2018-19  
Exhibit B: Project Map  
Exhibit C: Board of Supervisors Resolution No. 2018-0462 & Engineer's Report

**EXHIBIT A**

**Draft LAFCO Resolution 2018-19**

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**STANISLAUS COUNTY LOCAL AGENCY  
FORMATION COMMISSION**

**RESOLUTION**

**DATE:** October 24, 2018

**NO.** 2018-19

**SUBJECT:** LAFCO Application No. 2018-06 & SOI Modification No. 2018-06 – BMW, KIA & Valley Lexus Change of Organization to County Service Area No. 20 (Summit Corporate Center)

On the motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and approved by the following:

Ayes:           Commissioners:  
Noes:           Commissioners:  
Absent:         Commissioners:  
Ineligible:     Commissioners:

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

**WHEREAS**, a request has been submitted to modify the Sphere of Influence and simultaneously annex approximately 16.41 acres to County Service Area (CSA) No. 20 (Summit Corporate Center);

**WHEREAS**, there are less than 12 registered voters within the area and it is thus considered uninhabited;

**WHEREAS**, the above-referenced proposal has been filed with the Executive Officer of the Stanislaus Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code);

**WHEREAS**, the proposal was initiated by a Resolution of Application from the Stanislaus County Board of Supervisors as a Condition of Approval for a County approved subdivision and all of the owners of land within the affected territory have consented in writing to the sphere of influence modification and change of organization (annexation) into CSA No. 20 (Summit Corporate Center);

**WHEREAS**, the purpose of the proposal is to allow the subject territory to receive the extended county services offered by County Service Area No. 20 (Summit Corporate Center), including storm drainage and related maintenance and operations;

**WHEREAS**, proceedings for adoption and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg local Government Reorganization Act, Section 56000 et seq. of the Government Code;

**WHEREAS**, Commission policies allow a minor amendment to a sphere of influence of any agency without triggering a new or revised Municipal Service Review (MSR) when a previous MSR has been conducted;

**WHEREAS**, on September 18, 2018, the Stanislaus County Board of Supervisors adopted Resolution No. 2018-0462 supporting the annexation to County Service Area No. 20 (Summit Corporate Center);

**WHEREAS**, Stanislaus County has prepared an Engineer's Study identifying the assessment formula to be applied to the territory and its compliance with Proposition 218;

**WHEREAS**, in the form and manner provided by law pursuant to Government Code Sections 56153 and 56157, the Executive Officer has given notice of the public hearing by the Commission on this matter; and

**WHEREAS**, the Commission has, in evaluating the proposal, considered the report submitted by the Executive Officer, which included determinations and factors set forth in Government Code Sections 56425 and 56668, and any testimony and evidence presented at the meeting held on October 24, 2018.

**NOW, THEREFORE, BE IT RESOLVED** that the Commission:

1. Finds this proposal to be categorically exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15061(b)(3) of the CEQA Guidelines.
2. Adopts the written determinations pursuant to Government Code Section 56425, as described and put forth in the staff report dated October 24, 2018, and determines that the sphere of influence for CSA No. 20 (Summit Corporate Center) will include the territory and be coterminous with its approved boundaries, as shown in Attachment 1.
3. Approves the proposal subject to the following terms and conditions:
  - (a) The Applicant shall pay the required State Board of Equalization fees and submit a map and legal description prepared to the requirements of the State Board of Equalization and accepted to form by the Executive Officer.
  - (b) The Applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval, and provide for reimbursement or assumption of all legal costs in connection with that approval.
  - (c) In accordance with Government Code Sections 56886(t) and 57330, the subject territory shall be subject to the levying and collection of all previously authorized charges, fees, assessments and taxes of County Service Area No. 20 (Summit Corporate Center).

- (d) The effective date shall be the date of recordation of the Certificate of Completion.
4. Designates the proposal as the “BMW, Kia and Valley Lexus Change of Organization to County Service Area No. 20 (Summit Corporate Center)”.
  5. Pursuant to Government Code Section 56662(d), waives protest proceedings and orders the change of organization subject to the requirements of Government Code Section 57000 et seq.
  6. Authorizes the Executive Officer to prepare and execute Certificate of Completion upon receipt of a map and legal description prepared to the requirements of the State Board of Equalization and accepted to form by the Executive Officer and payment of any outstanding fees, subject to the specified terms and conditions.

**ATTEST:**

\_\_\_\_\_  
Sara Lytle-Pinhey  
Executive Officer

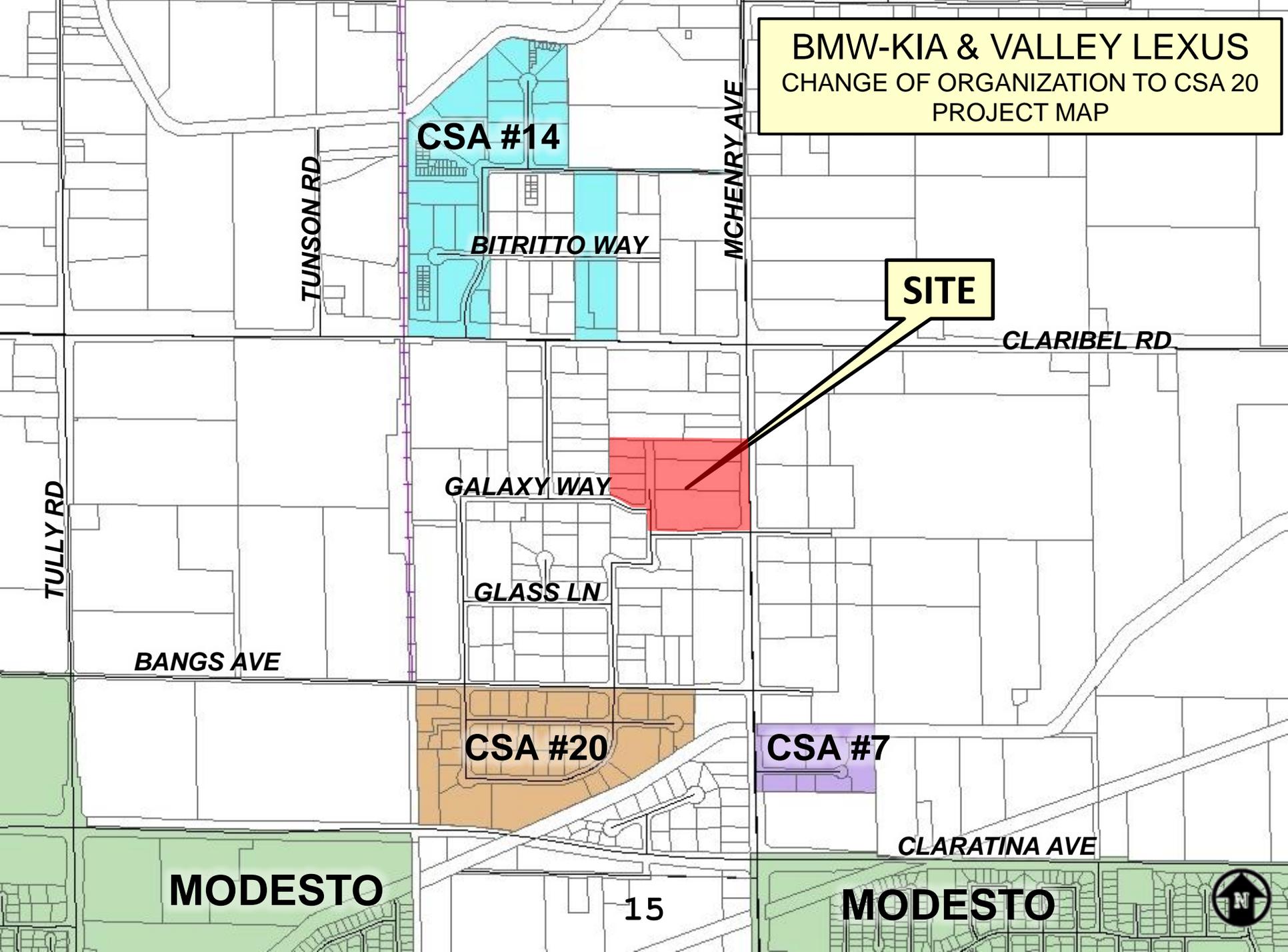
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**EXHIBIT B**

**Project Map**

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**BMW-KIA & VALLEY LEXUS**  
CHANGE OF ORGANIZATION TO CSA 20  
PROJECT MAP



**CSA #14**

**BITRITTO WAY**

**TUNSON RD**

**MCHENRY AVE**

**SITE**

**CLARIBEL RD**

**GALAXY WAY**

**GLASS LN**

**BANGS AVE**

**CSA #20**

**CSA #7**

**CLARATINA AVE**

**MODESTO**

15

**MODESTO**



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**EXHIBIT C**

**Board of Supervisor's Resolution No. 2018-0462  
& Engineer's Report**

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THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY

DEPT: Public Works

BOARD AGENDA:6.C.2  
AGENDA DATE: September 18, 2018

**SUBJECT:**

Approval to Amend the Annexation of the Valley BMW/KIA and Valley Lexus properties to County Service Area No. 20 Summit (CSA 20) and Establish Zones of Benefit

**BOARD ACTION AS FOLLOWS:**

**RESOLUTION NO. 2018-0462**

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow  
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

- 1)  Approved as recommended
- 2)  Denied
- 3)  Approved as amended
- 4)  Other:

MOTION:

ATTEST:   
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No. CSA-20-7

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Public Works

BOARD AGENDA:6.C.2  
AGENDA DATE: September 18, 2018

CONSENT:

CEO CONCURRENCE:

4/5 Vote Required: No

---

**SUBJECT:**

Approval to Amend the Annexation of the Valley BMW/KIA and Valley Lexus properties to County Service Area No. 20 Summit (CSA 20) and Establish Zones of Benefit

**STAFF RECOMMENDATION:**

1. Find that the area previously included in the Legal Description of Valley BMW/KIA and Valley Lexus properties (Zone 2) Assessor Parcel Number (APN) 046-011-074 is not a part of the project and shall be excluded from the Legal Description and map and the Engineer's Report for the Fiscal Year 2019-2020 and subsequent years.
2. Find that the Amendment will not produce a change in the existing assessment methodology for County Service Area No. 20 Summit (CSA 20) Corporate Center Industrial Park subdivision (Zone 1) and the approved annexation of Valley BMW/KIA and Valley Lexus properties (Zone 2).
3. Amend the resolution of application to the Stanislaus County Local Agency Formation Commission (LAFCO) made pursuant to Government Code sections 56654 and 25217.
4. Order that, subject to LAFCO approval of the annexation, Assessor Parcel Number (APN) 046-011-074 shall be excluded from the Fiscal Year 2019-2020 annual assessments and subsequent years.
5. Approve the amended Engineers Report for County Service Area No. 20 Summit (CSA 20) Corporate Center Industrial Park subdivision (Zone 1) and the approved annexation of Valley BMW/KIA and Valley Lexus properties (Zone 2).

**DISCUSSION:**

The annexation of Assessor Parcel Number (APN) 046-011-074 into County Service Area No. 20 Summit (CSA 20) was approved on June 26, 2018 along with seven other commercial lots known as Valley BMW/KIA and Valley Lexus. The property was considered a part of the project based on a Condition of Approval (COA) for Rezone Application No. 2004-11 and Parcel Map Application No. 2004-30 for Valley Lexus.

After the annexation was approved, Public Works staff found that in 2015, the subject parcel had been sold to Wood Brothers Properties, LLC, which made it exempt from the annexation. To include the Wood Brothers Property into this annexation would take their written consent and we do not have that at this time.

If the amendment to the original annexation is approved, APN 046-011-074 will be excluded from the project. The reformed annexed area will include seven commercial lots known as Valley BMW/KIA and Valley Lexus and will total approximately 15.05 acres.

**POLICY ISSUE:**

State of California Government Code, section 25212 authorizes the Board of Supervisors to be the governing body for County Service Areas within their county.

**FISCAL IMPACT:**

There is no fiscal impact associated with this Amendment. The Valley BMW/KIA project costs for the first year of operations and maintenance was approved by the Board on June 26, 2018.

**BOARD OF SUPERVISORS' PRIORITY:**

The recommendations are consistent with the Board's priority of *Delivering Efficient Public Services and Community Infrastructure* by amending the annexation into County Service Area No. 20 Summit, thereby allowing the developers to comply with County storm drainage system standards and the conditions of approval for their projects.

**STAFFING IMPACT:**

Existing Public Works staff will coordinate the project with the Local Agency Formation Commission (LAFCO).

**CONTACT PERSON:**

David Leamon, Interim Public Works Director

Telephone: (209) 525-4153

**ATTACHMENT(S):**

1. 2019-2020 Amended Engineer's Report CSA No. 20-Summit Subdivision
2. Consent Form-Valley BMW/KIA and Valley Lexus
3. Amended Exhibit A-Legal Description for Valley BMW/KIA and Valley Lexus
4. Amended Exhibit B-Boundary Map for Valley BMW/KIA and Valley Lexus
5. Amended Resolution CSA 20-Summit Subdivision

**COUNTY SERVICE AREA NO. 20  
AMENDED ANNUAL ENGINEER'S REPORT**

**SUMMIT SUBDIVISION, MODESTO**

**FISCAL YEAR 2019-2020**

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**AMENDED ENGINEER'S REPORT AFFIDAVIT**

County of Stanislaus, State of California

**CSA NO. 20 – SUMMIT SUBDIVISION**

This report describes the CSA and all relevant zones therein including the budget(s), parcels and assessments to be levied for the Fiscal Year 2019-2020. Reference is hereby made to the Stanislaus County Assessor's maps for a detailed description of the lines and dimensions of parcels within the County Service Area (CSA).

The undersigned respectfully submits the enclosed report as directed by the Board of Supervisors.

Dated this 23<sup>rd</sup> day of August, 2018



DAVID LEAMON, PE, INTERIM PUBLIC WORKS DIRECTOR  
Construction Administration/Operations  
Stanislaus County Department of Public Works



**COUNTY SERVICE AREA NO. 20  
AMENDED ANNUAL ENGINEER'S REPORT  
FISCAL YEAR 2019-2020**

**INTRODUCTION:**

County Service Area No. 20 (CSA 20) was established in January 2003, to provide extended maintenance service for the storm drain system within the Summit Corporate Center industrial park subdivision. The County accepted the subdivision improvements for Phase 1 and 2 on July 22, 2003 and March 2, 2004, respectively. As a result of these acceptances, the County has been maintaining all of these subdivision improvements including, but not limited to, the storm drain system since 2004. On September 18, 2018, the amended annexation of seven commercial parcels known as Valley BMW/KIA and Valley Lexus and establishing zones of benefits was approved by the Board of Supervisors.

Government Code Section 25210.77(A) requires that a written report containing a description of each parcel of real property receiving the particular extended service and the amount of the assessment for each parcel be prepared once a year and filed with the Clerk of the Board of Supervisors.

**PART I – PLANS AND SPECIFICATIONS**

**A. Description of the service area**

There are total of 46 parcels within CSA 20 consisting of: Summit subdivision (38 industrial lots and a storm drain basin Lot "A") and Valley BMW/KIA and Valley Lexus subdivision (7 industrial lots); amended assessor maps are attached hereto as amended exhibits "B" and "B1". This industrial development encompasses an area of land totaling approximately 44.50 acres of Summit subdivision (Zone 1) of which 35.96 acres are to be levied and 15.05 acres of Valley BMW/KIA and Valley Lexus subdivision (Zone 2) of which 13.54 acres are to be levied. The boundary of CSA 20 is shown on Amended Exhibits "A" and "A1" that are attached hereto and made a part of this Amended Engineer's Report. The development is generally located:

Summit subdivision

- North of Pelandale Avenue
- South of Bangs Avenue
- West of McHenry Avenue;

BMW/KIA/Lexus subdivision

- South of Spyres Way
- West of Galaxy Way
- East of Galaxy Way

**B. Description of Improvements and Services**

The purpose of this CSA is to insure the ongoing maintenance, operation, and servicing of the storm drain basin and storm drain system. The special benefit assessments to be levied for this CSA are intended to provide a revenue source for all the maintenance and servicing of the service area's improvements including, but not limited to the materials, equipment, labor and administrative expenses. However, the assessments are not intended to fund

reconstruction or major renovations of the improvements and facilities. The maintenance, operation, and servicing of the storm drain system are funded entirely or partially through the service area assessments and generally described as:

- Periodic cleaning and maintenance (as needed) on 140 linear feet of 8 inch pipe, 870 linear feet of 18 inch pipe, 937 linear feet of 24 inch pipe, 300 linear feet 30 inch pipe, 315 linear feet of 48 inch pipe;
- Periodic cleaning and maintenance of 19 catch basins, 10 manholes, and 23 rock wells;
- Repair curb and gutter as needed to maintain the storm drain system (8,781 linear feet of curb and gutter);
- Periodic streets sweeping to prevent build-up of silt and other damaging materials to the storm drain system. All debris is contained and hauled offsite with containment bins;
- Annual repairs and general maintenance to the storm drain basin (erosion control, weed spraying, grading/excavation as needed);
- Remove silt build up next to the wall of the separator with the use of the vector.

## **PART II - METHOD OF APPORTIONMENT**

### **A. Benefit Analysis**

The method of apportionment described in this report for allocation of special benefit assessments utilizes commonly accepted engineering practices. The formula used for calculating assessments for the CSA reflects the composition of the parcels and improvements provided to fairly apportion the costs based on special benefits to each parcel. Furthermore, pursuant to the Constitution Article XIID Section 4, a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel and a parcel may only be assessed for special benefits received.

All the improvements and services associated with the CSA have been identified as necessary, required and/or desired for the orderly development of the properties within the CSA to their full potential and consistent with the proposed development plans. As such, these improvements would be necessary and required of individual property owners for the development of such properties and the ongoing operation, servicing and maintenance of the improvements and facilities would be the financial obligation of those properties. Therefore, the storm drain facilities and the infrastructure, and the annual costs of ensuring the maintenance and operation of these improvements provide special benefits to the properties within the CSA.

Each parcel receives benefit from the extended storm drainage based on the parcel's net acreage. The extended storm drainage only provides a special benefit to the parcels within CSA 20, therefore, no general benefit has been assigned. The annual assessment is levied without regard to property valuation.

### **B. Assessment Methodology**

The method of apportionment for the CSA calculates the receipt of special benefits from the respective improvements based on the actual or the proposed land use of the parcels within the CSA. The special benefit received by each lot or parcel is equated to the overall land use of the parcels within the CSA based on the parcel's actual land use or proposed development.

Upon review of the proposed improvements it has been determined that each of the residential parcels within the CSA receives special benefits from all the improvements to be funded by annual assessments. Based on the planned property development a single zone of benefits is appropriate for the allocation of the assessments and proportional benefit. The parcels within the CSA may be identified by one of the following land use classifications and is assigned a weighting factor known as Equivalent Benefit Unit (EBU). The EBU calculated for a specific parcel defines the parcel's proportional special benefits from the CSA's improvements, facilities and services.

#### **Equivalent Benefit units (EBU):**

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of all other property in the CSA. The EBU method of apportioning assessments uses the single family home site as the basic unit of assessment. A single family home site equals one EBU. All other land uses are converted to EBU's based on an assessment formula that equates the property's specific development status, type of development (land use) and size of property, as compared to a single family home site.

The EBU method of apportioning special benefits is typically seen as the most appropriate and equitable assessment methodology, as the benefits to each parcel from the improvements are apportioned as a function of land use type, size and development. Not all land use types described in the following are necessarily applicable to the development of properties within the CSA, but are presented for comparison purposes to support the proportional special benefit applied to those land use types within the CSA.

#### **EBU Application by Land Use:**

**Single Family Residential-** This land use is defined as a fully subdivided residential home site with or without structure. This land use is assessed 1.00 EBU per parcel or lot. This is the base value that all other properties are compared and weighted against.

**Multi-family Residential-** This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property typically includes apartments, duplexes, triplex etc. (It does not typically include condominiums, town-homes, or mobile home parks). Based on average population densities and the size of the structure as compared to a typical single family residential unit, multi-family residential parcels shall be proportionally assessed for the parcel's total number of residential units utilizing a sliding benefit scale. Although multi-family properties typically receive similar benefits to that of a single family residential, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that the average multi-family unit impacts infrastructure approximately 75% as much as a single family residence (sample sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Addition). These various studies indicate the most public improvements and infrastructure

are utilized and impacted at reduced levels by multi-family residential units and a similar reduction in proportional benefit is appropriate. Furthermore, it is also reasonable to conclude that as the density (number of units) increases; the proportional benefit per unit tends to decline because the unit size and people per unit usually decreases. Based on these considerations and the improvements provided by the CSA, it has been determined that an appropriate allocation of special benefit for multifamily residential properties as compared to a single family residential is best represented by the following special benefit assignment: 0.75 EBU per unit for the first 5 units; 0.50 EBU per unit for units 6 through 50; and 0.25 EBU per unit for all remaining units.

**Condominium/Town-Home Units-** Condominiums and town-homes tend to share attributes of both a single family residential and multi-family residential properties and for this reason are identified as a separate land use classification. Like most single family residential properties, these properties are not usually considered rental property and generally, the County assigns each unit a separate APN or assessment number. However, condominiums and town homes often have similarities to multi-family residential properties in that they are generally zoned medium to high density and in some cases may involve multiple units on a single APN. In consideration of these factors it has been determined that an appropriate allocation of special benefit for condominiums, town-homes and similar residential properties is best represented by an assignment of 0.75 EBU per unit regardless of whether each unit is assigned an individual APN or there are multiple units assigned to the APN. There is not an adjustment factor for parcels with more than five units.

**Planned-Residential Development-** This land use is defined as any property for which a tentative or final tract map has been filed and approved (a specific number of residential lots and units has been identified) and the property is expected to be subdivided within the fiscal year or is part of the overall improvement and development plan for the CSA. This land use classification often times involves more than a single parcel (e.g. the approved tract map encompasses more than a single APN). Each parcel that is part of the approved tract map shall be assessed proportionally for the proposed or estimated residential type and units to be developed on that parcel as part of the approved tract map. Accordingly, each parcel is assigned an appropriate number of benefit units that reflects the development of that property at build-out (the EBU assigned to each parcel shall represent the combination of single family, condominium, multifamily units to be developed).

**Exempt Parcels-** This land use identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include but is not limited to:

- Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements including open space areas, utility rights-of-way, greenbelts or other publicly owned properties that are part of the CSA improvements or that have little or no improvement value;
- Private properties that cannot be developed independently for an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use.

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment.

**Special Cases-** in many CSA's where multiple land use classifications are involved, there are usually one or more properties that the standard land use classifications or usual calculation of benefit will not accurately identify the special benefits received from the improvements. For example, a parcel may be identified as a vacant residential property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel. The following table provides a summary of land use types, the EBU factors used to calculate each parcels individual EBU as outlined above:

**Land use and Equivalent benefit units**

Property type	EBU	Multiplier
Single Family Residential	1.00	Per unit/lot (parcel)
Multi-Family Residential	0.75	Per unit for the first 5 units
	0.50	Per unit for units 6 thru 50
	0.25	Per units > 50
Condominium/Town- Home Units	0.75	Per Unit
Planned Residential Development	1.00	Per planned Residential lot
	0.75	Per planned Condominium
	0.75	Per unit for the first 5 units
	0.50	Per unit for units 6-50
	0.25	Per unit >50
Vacant Residential Land	1.00	Per Acre
Public park	0.40	Per Acre
Public Storm Drain Basin)	0.40	Per Acre
Public School	0.40	Per Acre
Industrial Parcel	3.50	Per Acre
Exempt Parcels	0.00	Per parcel

The following formula is used to calculate each parcel's EBU (proportional benefit):

$$\text{Parcel Type EBU} \times \text{Acres or Units} = \text{Parcel EBU}$$

The total number of EBU's is the sum of all individual EBU's applied to parcels that receive special benefit from the improvements. An assessment amount per EBU (assessment rate) for the improvements is established by taking the total cost of the improvements and dividing the amount by the total number of EBU's of all benefiting parcels from the improvements. The rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

$$\text{Total Balance to Levy} / \text{Total EBU's} = \text{Levy per EBU}$$

$$\text{Levy per EBU} \times \text{Parcel EBU} = \text{Parcel Levy Amount}$$

## **PART III – BUDGET ANALYSIS**

### **A. Fund Balance**

It is estimated that there will be a fund balance on June 30, 2019 of \$23,397 for Summit Subdivision (Zone 1). This amount was generated in order to have funds available for capital improvements in the storm drainage system. Based on operating experience, this fund balance can be reduced while still being adequate for future capital needs.

The first year of operations and maintenance for BMW/KIA/Lexus annexed properties (Zone 2) will be covered entirely by the properties developer/subdivider. Starting Fiscal Year 2019-2020, the properties will be assessed, and ongoing operation and maintenance costs associated with the CSA No. 20 will be borne by the County Service Area. The first year operations and maintenance costs for BMW/KIA/Lexus (Zone 2) are estimated to be \$4,334. The remaining funds will be transferred to the CSA 20 fund in the end of Fiscal Year 2018-2019 and become an available fund balance for the subsequent year.

The threat to stormwater quality comes from the urbanized areas within the County, which the CSA's encompass. The County is mandated by the State Water Resources Control Board, Water Quality Order No. 2013-0001-DWQ to regulate stormwater within these urbanized areas. The CSA's receive additional services above the General Benefit for the following permit areas: Education and Outreach (E.7), Public Involvement and Participation Program (E.8), Illicit Discharge Detection and Elimination Program (E.9), Post-Construction Stormwater Management Program (E.12), Water Quality Monitoring (E.13), Program Effectiveness Assessment and Improvement (E.14), Total Maximum Daily Loads Compliance Requirements (E.15) and the Annual Reporting Program (E.16).

The fee structure to implement the state requirements has not been determined for Fiscal Year 2019-2020. An estimated annual fee of \$5 per parcel is included in this year's budget. Any surplus or shortfall will be adjusted in future calculations.

The fiscal year is the 12-month period from July 1<sup>st</sup> through June 30<sup>th</sup> of the following year. The annual assessment is received with property taxes collected in December and April. This means the fiscal year starts on July 1<sup>st</sup> but the first installment of the annual assessment will not be collected until December, creating a 6-month lag in receiving the money necessary to maintain the various services provided. Therefore, a reserve of \$4,240, for Summit Subdivision (Zone 1) and \$1,969 for BMW/KIA/Lexus (Zone 2) of available fund balance will be carried forward to cover costs from July 1<sup>st</sup> to December 31<sup>st</sup>.

The Public Works maintenance expenses will slightly increase for drain basin maintenance for Fiscal Year 2019-2020, which is due to increase of the labor cost and the cost of rent of the equipment. The assessment for Fiscal Year 2019-2020 is \$234.42 per net acre for Summit Subdivision (Zone 1) and \$290.90 per net acre for BMW/KIA/Lexus (Zone 2). This assessment for Zone 1 is the same as the Fiscal Year 2018-2019 assessment. The proposed budget includes the use of \$49 of existing fund balance for Summit Subdivision (Zone 1) to offset operating costs thereby keeping the annual assessment unchanged.

### **B. Budget Formula**

Proposition 218, a statewide initiative approved by the voters in November 1996, requires property owners approve any change in the method of calculating assessment and any

increase in rate through a ballot procedure. An assessment ballot procedure occurred during the formation of CSA 20. A majority protest was not filed regarding the formula for calculating the annual assessment and the levy of the annual assessment to pay for the services provided by CSA 20. Therefore, the formula for calculating the annual assessment has been approved and is in place. The formula that is being used to calculate the assessments is as follows:

**Total Operation & Maintenance Cost - Use of Fund Balance / Total Acreage  
= Levy per Acre**

**Parcel Acreage x Levy per Acre  
= Parcel Assessment**

**PART IV - SERVICE AREA BUDGET**

EXPENSE DESCRIPTION	SUMMIT (Zone 1)	BMW/KIA/LEXUS (Zone 2)
<b>ADMINISTRATION</b>		
County Administration	\$ 515	\$ 105
Miscellaneous/Other Admin Fees	\$ -	\$ -
Total	\$ 515	\$ 105
<b>PARKS &amp; RECREATION</b>		
Parks Labor	\$ -	\$ -
Parks Utilities	\$ -	\$ -
Parks Other Supplies	\$ -	\$ -
Total	\$ -	\$ -
<b>PUBLIC WORKS</b>		
Pond Excavation	\$ -	\$ -
SWRCB Permit Requirement	\$ 195	\$ 35
Cleaning Drainage System	\$ 1,300	\$ 1,506
Street Sweeping	\$ 6,200	\$ 2,320
Curb & Gutter Repair	\$ -	\$ -
Weed Spraying	\$ 1,223	\$ 330
Erosion Control	\$ -	\$ -
Utilities	\$ -	\$ -
Total	\$ 8,918	\$ 4,191
Capital Improvement Reserve	\$ -	\$ -
General Benefit	\$ (954)	\$ (357)
Total Administration, Parks & Rec, Public Works Budget	\$ 8,479	\$ 3,939
<b>Fund Balance Information</b>		
Beginning Fund Balance (Estimated for 2019-20)	\$ 23,397	\$ -
Capital Improvement Reserve (-)	\$ -	\$ -
Available Fund Balance	\$ 23,397	\$ -
<b>Adjustments to Available Fund Balance</b>		
General Fund (or PW) Loan Repayment/Advance (+)	\$ -	\$ -
Other Revenues/General Fund (Contributions I.e. Grants) (+)	\$ -	\$ -
Capital Improvement Expenditure (pumps etc.) (-)	\$ -	\$ -
6 Months Operating Reserve (-)	\$ (4,240)	\$ (1,969)
Use of Fund Balance for FY 2019/20 (-)	\$ (49)	\$ -
Contingency Reserve (-)	\$ -	\$ -
Total Adjustments	\$ (4,289)	\$ (1,969)
Remaining Available Fund Balance	\$ 19,108	\$ (1,969)
Total Administration, Parks & Rec, Public Works Budget	\$ 8,479	\$ 3,939
Use of Fund Balance (-)	\$ (49)	\$ -
Balance to Levy	\$ 8,430	\$ 3,939
<b>District Statistics</b>		
Total Parcels	39	7
Parcels Levied (acres)	39	7
Total EBU	35.96	13.54
Levy EBU	\$ 234.42	\$ 290.90
Capital Reserve Target	\$ -	\$ -

## **PART V - ASSESSMENTS**

2019-2020 Assessment (Summit Subdivision (Zone 1)) = \$8,429.74 / 35.96 net acres = \$234.42 per net acre;

2019-2020 Assessment (BMW/KIA/Lexus Subdivision (Zone 2)) = \$3,938.79 / 13.54 net acres = \$290.90 per net acre;

2018-2019 Assessment (Summit Subdivision (Zone 1)) = \$8,427.40 / 35.95 net acres = \$234.42 per net acre.

A method for calculating the annual assessment has been approved per Proposition 218, therefore no ballot procedure is necessary to approve any change in assessment. The Fiscal Year 2019-2020 assessment is in compliance with Proposition 218.

The parcels subject to the assessment are listed on Exhibit "D" that is attached hereto and made a part of this Amended Engineer's Report.

**Exhibit "A"**  
**COUNTY SERVICE AREA No. 20 – SUMMIT**

All that certain real property situate in the Southeast Quarter of Section 5, Township 3 South, Range 9 East, Mount Diablo Base and Meridian, in the County of Stanislaus, State of California, more particularly described as follows:

Commencing at the East Quarter Corner of said Section 5, thence North 88°43'03" West along the north line of the Southeast 1/4 of said Section 5, said 1/4 section line also being the centerline of Bangs Avenue, as shown on Berberian Parcel Map filed for record in Book \_\_\_\_ of Parcel Maps at Page \_\_\_\_ of Official Records, Stanislaus County Records, a distance of 454.14 feet, to a point of intersection with the northerly extension of the east line of said Berberian Parcel Map, said point of intersection being the **POINT OF BEGINNING**; thence along the boundary of said Berberian Parcel Map, the following 10 courses:

1. South 01°16'50" West, along the east line of said Berberian Parcel Map and the northerly extension, a distance of 393.66 feet, to a point on the north line of Modesto Irrigation District Lateral No. 6;
2. thence South 56°59'46" West, along the north line of said Modesto Irrigation District Lateral No. 6, a distance of 151.71 feet, to a point on east line of the deed filed for record as Instrument No. 90-088310 of Official Records, Stanislaus County Records;
3. thence North 01°14'02" West, along the east line of said Instrument No. 90-088310, a distance of 29.82 feet;
4. thence South 88°45'58" West, along the north line of said Instrument No. 90-088310, a distance of 30.00 feet;
5. thence South 01°14'02" East, along the west line of said Instrument No. 90-088310, a distance of 48.40 feet, to a point on the north line of said Modesto Irrigation District Lateral No. 6;
6. thence South 56°59'46" West, along the north line of said Modesto Irrigation District Lateral No. 6, a distance of 384.19 feet;
7. thence South 65°54'43" West, along the north line of said Modesto Irrigation District Lateral No. 6, a distance of 986.31 feet, to a point on the north line of deed recorded as Instrument No. 99-0115461-00 of Official Records, Stanislaus County Records, said point being a point of curvature, non-tangent to the preceding course, concave southerly, having a radius of 5067.50 feet, of which said radius bears South 07°54'36" West;
8. thence westerly along the arc of said curve, through a central angle of 06°39'04", an arc distance of 588.27 feet;
9. thence North 88°44'29" West, along the north line of said Instrument No. 99-0115461-00, a distance of 152.17 feet, to a point on the east right-of-way line of Union Pacific Railroad, being 30.00 feet east of and parallel with the west line of the Southeast 1/4 of said Section 5;

10. thence North  $01^{\circ}10'49''$  West, along the east right-of-way line of said Union Pacific Railroad, a distance of 1105.25 feet, to a point on north line of the Southeast 1/4 of said Section 5;
11. thence South  $88^{\circ}43'03''$  East, along the north line of the Southeast 1/4 of said Section 5, also being the centerline of Bangs Avenue, a distance of 2149.73 feet, to the Point of Beginning.

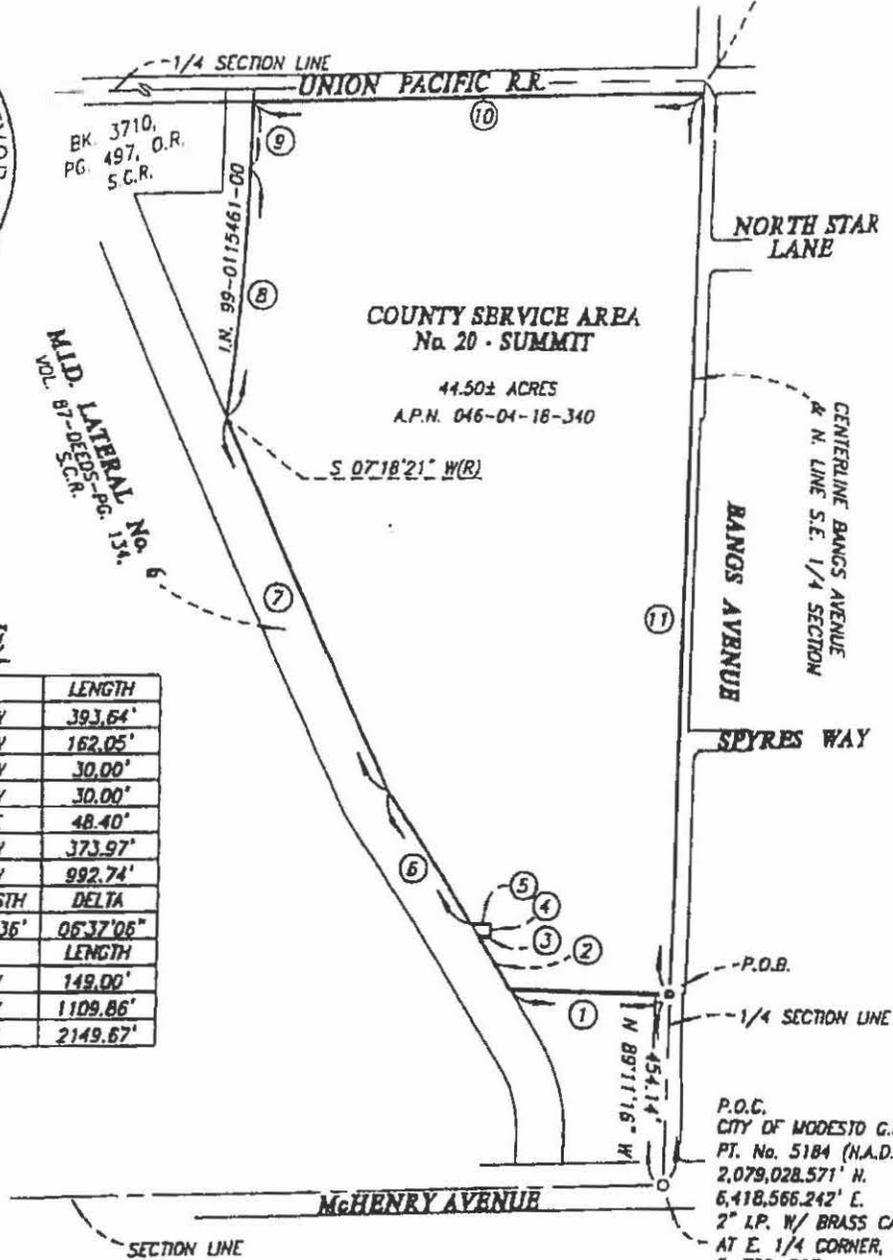
Containing 44.43 acres, more or less.

END OF DESCRIPTION

SCALE: 1"=400'



N.W. CORNER OF S.E. 1/4,  
SEC 5, T3S, R9E,  
M. D. B. & M.



**COURSE TABLE**

COURSE	BEARING	LENGTH
1	S 00°48'44" W	393.64'
2	S 56°30'58" W	162.05'
3	N 01°37'22" W	30.00'
4	S 88°02'38" W	30.00'
5	S 01°37'22" E	48.40'
6	S 56°30'58" W	373.97'
7	S 65°25'55" W	992.74'
8	RADIUS	LENGTH DELTA
	5067.50'	585.36' 06°37'06"
9	BEARING	LENGTH
	N 89°18'43" W	149.00'
10	N 01°38'55" W	1109.86'
11	S 89°11'16" E	2149.67'

SCALE : 1"=400'

DRAWN BY : W. PAUL

FILE : 6410LEG\_REV.DWG

DATE : OCTOBER 4, 2002



**O'Dell Engineering**

1155 Scenic Drive Modesto, CA 95354  
(208) 571-1785 FAX: (208) 571-2466

**EXHIBIT "A"**  
**COUNTY SERVICE**  
**AREA No. 20 - SUMMIT**  
PORTION OF THE SOUTHEAST QUARTER,  
SECTION 5, TOWNSHIP 3 SOUTH,  
RANGE 9 EAST, MDB & M  
STANISLAUS COUNTY CALIFORNIA



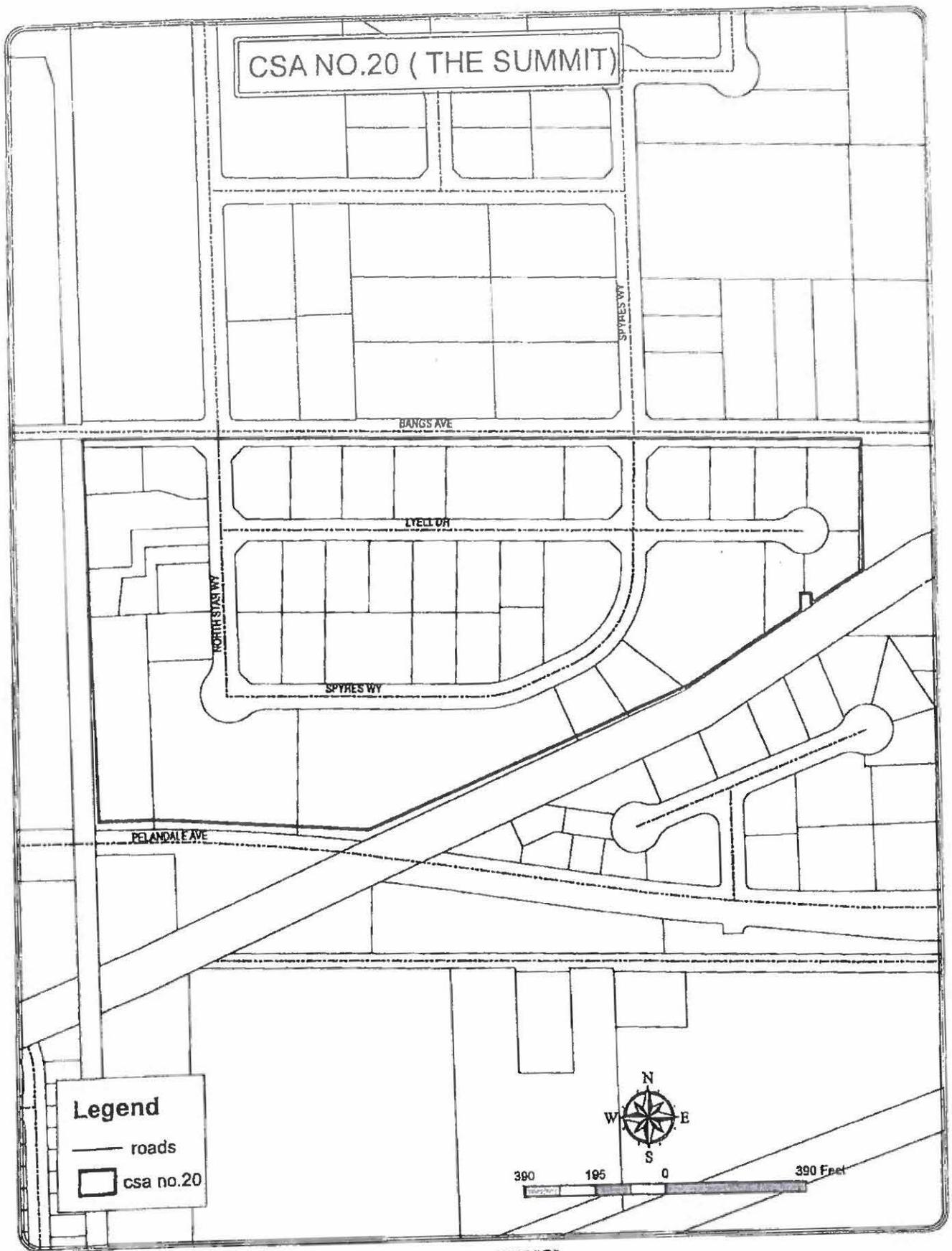


EXHIBIT "C"

**AMENDED EXHIBIT "D"**  
**PARCEL COUNT FOR**  
**COUNTY SERVICE AREA NO. 20**  
**SUMMIT SUBDIVISION, MODESTO**  
**FISCAL YEAR 2019-2020**

The Assessor's parcels listed below are subject to the annual assessment:

A.P.N.	ASSESSMENT	EBU	A.P.N.	ASSESSMENT	EBU
046-004-023 (0.70 acres)	\$164.09	0.70	046-004-058 (0.55 acres)	\$128.93	0.55
			046-004-059 (0.54 acres)	\$126.59	0.54
046-004-028 (0.50 acres)	\$117.21	0.50	046-004-060 (0.55 acres)	\$128.93	0.55
046-004-029 (0.54 acres)	\$126.59	0.54			
046-004-030 (2.78 acres)	\$651.69	2.78	046-004-064 (4.65 acres)	\$1,090.05	4.65
046-004-031 (0.62 acres)	\$145.34	0.62	046-004-065 (1.10 acres)	\$257.86	1.10
046-004-032 (0.53 acres)	\$124.24	0.53	046-004-066 (0.46 acres)	\$107.83	0.46
			046-004-067 (0.47 acres)	\$110.18	0.47
046-004-035 (0.55 acres)	\$128.93	0.55	046-004-068 (0.61 acres)	\$143.00	0.61
046-004-036 (0.51 acres)	\$119.55	0.51	046-004-069 (1.05 acres)	\$246.14	1.05
046-004-037 (1.31 acres)	\$307.09	1.31	046-004-070 (0.48 acres)	\$112.52	0.48
046-004-038 (0.51 acres)	\$119.55	0.51	046-004-071 (0.53 acres)	\$124.24	0.53
046-004-039 (0.55 acres)	\$128.93	0.55	046-004-073 (1.03 acres)	\$241.45	1.03
			046-004-074 (.53 acres)	\$124.24	0.53
046-004-041 (2.19 acres)	\$513.38	2.19	046-004-075 (1.10 acres)	\$257.86	1.10
			046-004-076 (0.65 acres)	\$152.37	0.65
			046-004-077 (2.88 acres)	675.13	2.88
046-004-044 (1.49 acres)	\$349.29	1.49	SUMMIT	\$4,027.34	17.18
046-004-045 (0.65 acres)	\$152.37	0.65			
046-004-046 (0.65 acres)	\$152.37	0.65	046-010-036 (2.31 acres)	\$671.98	2.31
046-004-047 (0.65 acres)	\$152.37	0.65	046-010-037 (3.57 acres)	\$1,038.51	3.57
046-004-048 (0.72 acres)	\$168.78	0.72	046-010-038 (0.85 acres)	\$247.27	0.85
			046-010-039 (0.85 acres)	\$247.27	0.85
046-004-050 (0.58 acres)	\$135.96	0.58	046-010-040 (0.75 acres)	\$218.18	0.75
046-004-051 (0.55 acres)	\$128.93	0.55	046-011-073 (0.61 acres)	\$177.45	0.61
046-004-052 (0.55 acres)	\$128.93	0.55	046-011-075 (4.6 acres)	1338.14	4.60
046-004-053 (0.55 acres)	\$128.93	0.55	BMW/KIA/Lexus	\$3,938.79	13.54
046-004-054 (0.55 acres)	\$128.93	0.55			
046-004-055 (0.55 acres)	\$128.93	0.55			
	\$4,402.41	18.78			

Summit	\$8,429.74	35.96
BMW/KIA/Lex	\$3,938.79	13.54

CONSENT FOR ANNEXATION OF  
TERRITORY TO COUNTY SERVICE AREA NO. 20 – SUMMIT SUBDIVISIONS,  
MODESTO  
(Valley BMW/KIA and Valley Lexus Annexation)

B.E. Fitzpatric Development, Inc, hereinafter referred to as "Owners", owns and has title to all of the properties located in Stanislaus County, California as described on Exhibits "A" and "B" attached hereto and hereinafter referred to as "Properties".

Owner hereby consents to the annexation of the Properties to the County Service Area No. 20 Summit – Subdivisions, Modesto for the purpose of receiving extended county services to or within the Properties and to pay the Fiscal Year 2019/2020 assessment in the amount of \$290.90 per acre and the parcels assessment calculated using the County Service Area Assessment Formulas:

Total Operation & Maintenance Cost - Use of Fund Balance / Total Acreage  
= Levy(Assessment) per Acre

Parcel Acreage x Levy(Assessment) per Acre  
= Parcel Assessment.

Owner acknowledges that the extended county services are storm drainage control and storm drainage system maintenance, and the annexation will be pursuant to Government Code Section 25210 et seq.

Owner declares under penalty of perjury that the foregoing is true and correct and that the Consent For Annexation Of Territory To County Service Area No. 20 was executed this 31 day of May, 2018.

Owner or Corporate Officer

B.E. FITZPATRICK  
Print Name  
President  
Title

B.E. Fitzpatric  
Signature

**AMENDED EXHIBIT "A"**  
**LEGAL DESCRIPTION OF VALLEY BMW/KIA AND VALLEY LEXUS**  
**ANNEXATION TO CSA 20 – SUMMIT SUBDIVISION**

Being a portion of the Northeast Quarter of Section 5, Township 3 South, Range 9 East, Mount Diablo Meridian, County of Stanislaus, State of California, more particularly described as follows:

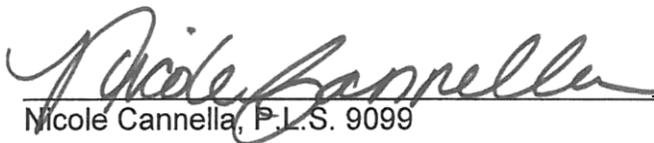
**COMMENCING** at the Northeast corner of said Section 5; thence

- 1) Along the East line of said Section 5, South 01°14'42" East 772.26 feet to the Easterly extension of the North line of that certain Parcel Map recorded on September 1, 2016 for record in Book 57 of Parcels Maps at Page 40, Stanislaus County Records and the **POINT OF BEGINNING** of this description; thence,
- 2) Continuing along said Section line, South 01°14'42" East 704.98 feet to the intersection of said Section line and the centerline of Galaxy Way as shown on that certain Parcel Map filed for record on March 17, 2010 in Book 56 of Parcel Maps at Page 40, Stanislaus County Records; thence,
- 3) Along the centerline of said Galaxy Way the following six (6) courses, South 88°45'18" West 330.72 feet to the beginning of a curve concave to the Southeast, having a radius of 250.00 feet; thence,
- 4) Southwesterly 55.08 feet along said curve through a central angle of 12°37'22" to the beginning of a reverse curve concave to the Northwest, having a radius of 250.00 feet and to which beginning a radial line bears North 13°52'03" West; thence,
- 5) Northwesterly 66.17 feet along said curve through a central angle of 15°09'52"; thence,
- 6) North 88°42'11" West 230.12 feet to the beginning of a curve concave to the Southwest, having a radius of 250.00 feet; thence,
- 7) Southwesterly 10.77 feet along said curve through a central angle of 02°28'03"; thence,
- 8) South 88°49'46" West 70.57 feet to the centerline intersection of said Galaxy Way and Spyres Way as shown on said Parcel Map filed in Book 56 of Parcel Maps at Page 40; thence,
- 9) Along the centerline of said Spyres Way, North 01°10'15" West 199.92 feet to the centerline intersection of said Spyres Way and said Galaxy Way; thence,

- 10) Along the centerline of said Galaxy Way the following four (4) courses, South 88°49'25" West 120.06 feet to the beginning of a curve concave to the Northeast, having a radius of 90.00 feet; thence,
- 11) Northwesterly 43.60 feet along said curve through a central angle of 2r45'14"; thence,
- 12) North 63°25'21" West 127.37 feet to the beginning of a curve concave to the Southwest, having a radius of 90.00 feet; thence,
- 13) Northwesterly 40.18 feet along said curve through a central angle of 25°34'53" to the West line of said Parcel Map filed in Book 56 of Parcel Maps at Page 40; thence,
- 14) Along the West line of said Parcel Map filed in Book 56 of Parcel Maps at Page 40 and said Parcel Map filed in Book 57 of Parcel Maps at Page 40, North 01°09'39" West 471.50 feet to the Northwest corner of said Parcel Map filed in Book 57 of Parcel Maps at Page 40; thence,
- 15) Along the North line of last said Parcel Map and its easterly extension, South 88°49'16" East 1075.40 feet to the point of beginning.

Containing 16.41 acres more or less

This legal description as described is delineated on the accompanying "Plat to Accompany Legal Description" and made a part hereof for reference purposes.

  
\_\_\_\_\_  
Nicole Cannella, P.L.S. 9099



/0-1J. -/1

*For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.*

# AMENDED EXHIBIT "B"

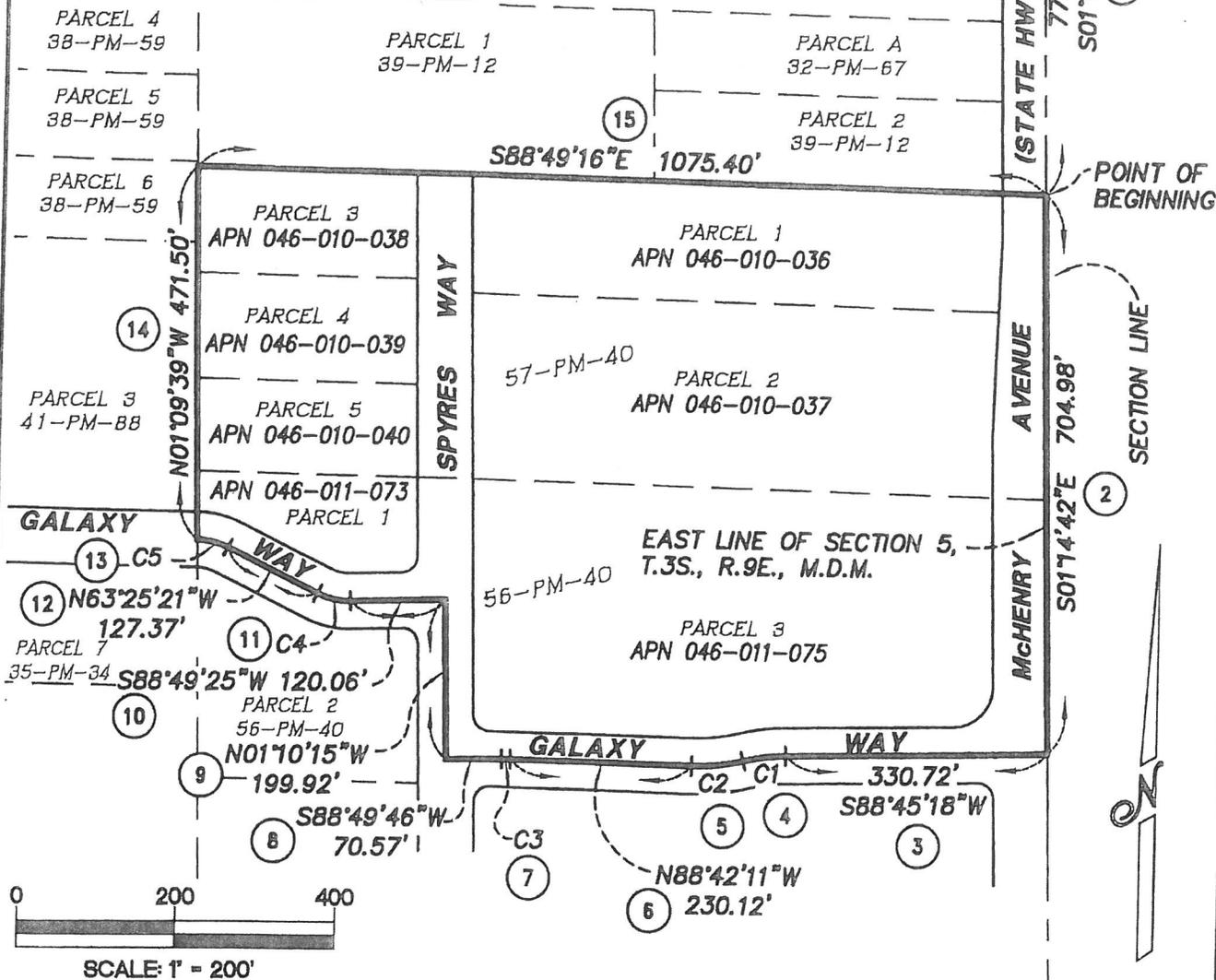
## DISCLAIMER

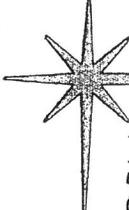
FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

POINT OF COMMENCEMENT  
NE COR. SEC. 5

## CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	12°37'22"	250.00'	55.08'
C2	15°09'52"	250.00'	66.17'
C3	2°28'03"	250.00'	10.77'
C4	27°45'14"	90.00'	43.60'
C5	25°34'53"	90.00'	40.18'




**North Star**  
**Engineering Group, Inc.**  
 • CIVIL ENGINEERING • SURVEYING • PLANNING •  
 620 12th Street Modesto, CA 95354  
 (209) 524-3525 Phone (209) 524-3526 Fax

**PLAT TO ACCOMPANY**  
**LEGAL DESCRIPTION**  
 OF A PORTION OF THE  
 NORTHEAST QUARTER OF SECTION 5,  
 TOWNSHIP 3 SOUTH, RANGE 9 EAST,  
 MOUNT DIABLO MERIDIAN.  
 STANISLAUS COUNTY, STATE OF CALIFORNIA

JOB NO: J14-1474
SCALE: AS SHOWN
DR BY: NC
FILE: 14-1474 County Service Area Annex
DATE: October 12, 2017

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
STATE OF CALIFORNIA

2018-0462

Date: September 18, 2018

On motion of Supervisor Chiesa Seconded by Supervisor Withrow  
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

THE FOLLOWING RESOLUTION WAS ADOPTED:

Item # 6.C.2

**AMENDED RESOLUTION OF APPLICATION FOR THE AMENDED ANNEXATION OF VALLEY  
BMW/KIA AND VALLEY LEXUS TO COUNTY SERVICE AREA NO. 20 – SUMMIT SUBDIVISION**

BE IT RESOLVED, that the Board of Supervisors, of the County of Stanislaus, State of California, hereby finds and determines as follows:

WHEREAS, the proposal for the amended annexation of properties known as Valley BMW/KIA and Valley Lexus to County Service Area No. 20 – Summit Subdivision (CSA No. 20) is being made pursuant to Government Code sections 56654 and 25217; and

WHEREAS, the County of Stanislaus desires to initiate proceedings pursuant to Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code § 56000 et seq.) for the amended annexation of territory to County Service Area No.); and

WHEREAS, the purpose of the proposal is to allow the subject territories to receive the extended county services offered by CSA No. 20, including streetscape maintenance, parks maintenance, and storm drainage services; and

WHEREAS, the amended annexation consists of 15.05 acres in Modesto, as shown on the attached amended legal description and map; and

WHEREAS, upon annexation, the territory will be identified as a newly established zone of benefit within CSA No. 20, known as Zone 2; and

WHEREAS, there is a need to provide ongoing funding through the assessments, to support the provision of the special benefit of a storm drain system, streetscape, and parks maintenance in the proposed Zone 2 and doing so will promote health, safety and welfare of the residential area; and

WHEREAS, the amended annexation of territory to CSA No. 20 has the consent of a property owner within the annexation as shown in Consent attachment; and

WHEREAS, improvement plans for all facilities to be operated and maintained for the County Service Area are being prepared; and

WHEREAS, the amended annexation will include a simultaneous expansion of the CSA No. 20 sphere of influence in order to maintain consistency; and

WHEREAS, this proposal includes an Amended Engineer's Report, satisfying the plan for service requirement pursuant to Section 56653; and

WHEREAS, the Board has reviewed the Amended Engineer's Report and approves the method and the amount of the assessment.

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of Stanislaus County shall hereby be requested to commence proceedings for the annexation of territory as described in attached amended legal description and map into County Service Area No. 20 (Summit Subdivision) as authorized in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

ATTEST: ELIZABETH A. KING, Clerk  
Stanislaus County Board of Supervisors,  
State of California

